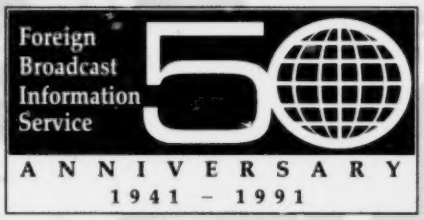

Daily Report

Latin America

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FBIS-LAT-91-026 *7 February 1991*

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OAS on Tough Times for Latin Region, Caribbean

FL0602172591 Bridgetown CANA in English 1707 GMT 6 Feb 91

[Text] Castries, St. Lucia, Feb 6, CANA—Economic recession in the United States and the Gulf War present additional hardships for Latin America and the Caribbean after the lost decade that was the eighties, according to the Organisation of American States (OAS).

An OAS paper, examining the region's prospects in the nineties, noted a profound deterioration in social and economic conditions since 1982 had contributed to further eroding the purchasing power of middle and low income groups, together representing the great majority of the Latin American and Caribbean population.

"The pronounced worsening of the quality of life has brought about pressures which, in some cases, have manifested themselves in situations that threaten the institutional stability of traditionally democratic countries in the region," said the paper, submitted at an OAS meeting taking place here.

At the meeting, Caribbean countries and Suriname are submitting projects to the OAS for funding over the next two years.

The OAS report, commenting further on trends in the eighties, said opportunities for participation in the economic and social processes had been limited by a lack of productive employment generation in the most dynamic sectors and by the generalisation of underemployment and the alarming spread of poverty.

"Real salaries have been negatively affected by the erosion of productivity and the impact of inflation. Additionally it should be stressed that the adjustment measures applied by the majority of the countries in response to the financial crisis.... have exacerbated the negative impact in the social area."

"As a result of the crises, the public sector of the countries, which is also the largest external debtor, has allocated a growing percentage of its budget to honour its international commitments."

Under these conditions, "the scope and quality of the social programmes of the governments have been seriously affected and this in turn has impacted on the quality of life in the lowest income population group," the paper noted. It further noted that in light of the difficulty in allocating sufficient domestic resources for social improvement programmes, and the scarcity of external funds for the same purpose, governments recognised the need to strengthen and consolidate the efficiency of the public sector in order to serve the growing social needs of the population.

"Additionally, the search for efficiency has led to the need to rationalize and prioritize social investments and activities on a more selective basis, to care especially for the most vulnerable target groups."

The OAS said that in the future, Latin American and Caribbean countries will need to design and implement strategies and policies aimed at more effectively linking attention to social problems with activities directed towards the rational use of natural resources.

"Among those mentioned as having the greatest impact are those related to the generation of productive employment, job training, labor migration arising from labor market instability, and the complex treatment of the growing needs of the informal sector."

Cuba

Castro Speech to PCC Provincial Assembly

FL0602144091 Havana Cuba Vision Network in Spanish 0200 GMT 5 Feb 91

[Speech by President Fidel Castro to the Communist Party of Cuba (PCC) provincial assembly in Havana on 3 February—recorded]

[Text] Dear comrades of the Havana provincial assembly, dear guests:

At a meeting like this one, we could talk for a week if we analyzed all the aspects of party work in this province, if we analyzed many activities. For example, we could talk for one day about public health. We could spend another day talking about education. We could talk for a third day about construction projects. We could talk quite a while about industry because of the industrial importance of this province. We could talk about political, ideological, and international things.

We had about 12 hours, about 10 hours yesterday, and about three hours today. [numbers as heard] We have devoted these three hours.... [corrects himself] We have devoted these 12 hours basically to the food program. This does not mean we think less of the other activities on which we are working. We cannot forget, for example, that in public health we have succeeded in reducing infant mortality below 10 [per 1,000 live births], so that Havana Province has a rate lower than the United States. So there is infant mortality, to give one example. In education, in many activities of all kinds, we are working in all these areas, in all of them. We are going to continue to work in all these areas, and to pay them ever greater attention.

We have devoted this 1991 assembly to what I would call the key point, the decisive battle, the most important battle we are waging right now, the joint battle the capital and Havana Province are waging, that the country is waging. Nowhere else does it have the importance it has in the western region of the country and the importance it has in Havana City Province and Havana Province.

It is not a battle by the two provinces solely to improve the dietary standards of the two provinces, but to improve dietary standards throughout the whole country, because as I said yesterday, we are going to free the other provinces from having to supply 4 or 5 million quintals of tubers every year, because of the effort and the transportation resources this represents for those provinces. So we are not working only for ourselves in the food program, but for the entire country.

In some areas of the food program, we have made great progress in the past. I remember when the province produced less than 200,000 liters of milk per day. Right now it produces 800,000 or 900,000 or sometimes almost 1 million [liters]. About 1,000 dairy complexes have been built in Havana Province, 1,000 new dairy complexes. This was in the sixties and seventies, and some dairy complexes are still being built in Havana Province. In the past in Havana Province there was a relatively high level of production of poultry and eggs, but it was not sufficient, nor will it be sufficient.

We must keep in mind that almost 30 percent of the country's population is concentrated in Havana City and Havana Provinces. Havana Province even produces beef and pork; the program is quite ambitious. Even so, Havana Province will not be able to produce all the pork the two provinces need. This is because one of the sources of animal feed is proteinaceous molasses, and proteinaceous molasses is not abundant in these two provinces. Proteinaceous molasses is....[rephrases] The facilities for torula yeast and proteinaceous molasses have been located in other provinces. Perhaps if we find some less technical ways to produce proteinaceous molasses we will be able to produce it in these two provinces, too.

In any case, I must say that from the agricultural point of view, Havana Province is highly productive. I do not think there is any province that is more productive than Havana Province. We may have a strong rival in Matanzas Province. They produce more sugar. They have the Ceiba citrus plan—the largest one in the country, and I would even say it is one of the largest in the world. Of course they do not produce as much milk, they do not produce as many tubers and vegetables as Havana Province. Havana Province produces more than 600,000 tons of sugar. I said before that it produces enough sugar for the whole country.

Havana Province produces about 1 million liters of milk per day. It is the province that produces the most milk in the country. Havana Province produces the most tubers and vegetables in the whole country, although of course this is very far from being sufficient. Havana Province produces considerable amounts of citrus. Havana Province produces tobacco that is important because of its quality and as a complement to the other tobacco produced in the country. Havana Province produces seeds. Havana Province has important agricultural research centers. I have already mentioned Havana Province's relatively high production of eggs and poultry.

I told the story yesterday about a large landowner in a Latin American country who produces [as heard] 65,000 head of cattle. He employs more than 200 workers and has about 65,000 head of cattle. Havana Province has about three times that number of cattle and tens of millions—no, not tens of millions, tens of thousands of workers in agriculture. We could say that the province is developed, from an agricultural point of view. Like our country, our agriculture produces, it exports food for 40 million people. By exporting more than 7 million tons of sugar, the country produces calories for 40 million people. This is in addition to exports of vegetables and some other crops.

My opinion is that this province is highly productive, especially if we add its industrial production. Havana Province has great industrial importance. The cement for the western region is produced in Havana Province. Almost all the electricity for the western region is produced in Havana Province. It produces some oil. Havana Province produces considerable amounts of textiles. Havana Province produces important things with the metalworking industry.

Right there in Guira de Melena we have an important factory. Havana Province has rubber, wire, other factories. You can see that San Jose Municipality is highly industrialized. Havana Province produces considerable amounts of rum and alcoholic beverages. Havana Province produces pasteboard and cardboard. So we can start from the real fact that our province has very high economic production. Those are the facts; they are real.

We are far from being satisfied, however, and we understand that we have to increase production. We have to solve important problems, but above all Havana Province has to produce the tubers and vegetables the capital needs. We have 2 million inhabitants in the capital who are completely dependent on the province's agricultural production. The province can do it. It has the land, and if it does not have a large enough labor force, we will have to increase the province's agricultural labor force.

The capital has an enormous potential for mobilizing forces. It is precisely here, on the production of tubers and vegetables, that the honor of the two provinces has been staked. We are receiving almost half our tubers and vegetables from the rest of the country. It is contradictory that we should produce enough sugar to supply the entire country and not produce enough tubers and vegetables to supply the two provinces. This is what we propose to do. This is the decision we have made. This is the battle we are involved in.

I would say that this is not solely an economic and social battle. It is also a political and ideological battle. We have to show, and we want to show, that socialism can solve these problems. We have to show, and we want to show, that socialism is going to solve this problem with the tubers and vegetables. These are very important dietary elements. Vegetables, for example, are very rich in vitamins, minerals, and fiber, which are essential to human nutrition. They are becoming more and more important. Tubers—as we call plantains, yams, yucca, potatoes, squash, and others—are important sources of nutrients, and they are also essential dishes in the Cuban diet. They are the basic part of the diet.

I am also convinced that if we had more tubers and vegetables, we would eat less rice. I am convinced that if we had more tubers and vegetables, we would eat less wheat flour. This is an economical way, it is a sure way, even though some of these crops use imported elements. They need considerable amounts of fertilizer. We do not know if we are going to continue to receive this fertilizer from the socialist bloc, or in what amounts. Well, I can no longer talk about the socialist bloc; I mean from the USSR, and in what amounts, and to what extent we will have to seek funds to import it.

They need pesticides, they need herbicides, they need many materials, as we were saying yesterday about how much had to be spent for plantains. I want you to know that one caballeria of plantains with aerial microjet irrigation—if everything was imported from capitalist countries, including the pipes that we must use, the high-density polyethylene and all those elements—one caballeria of aerial microjet irrigation would be an investment of $25,000, in dollars, hard currency. It is true that this is amply rewarded with spectacular yields. Of course, not in everything—I am talking about aerial microjet irrigation. Surface microjet irrigation, which produces one-third less, costs about one-third less also, in inputs imported with dollars. This plan for the 200 caballerias with microjet irrigation that we will be planting in 1991 needs $4-5 million in investment. I mean that this is what is needed, but this investment has to be made only once.

Now, investments must be made every year in pesticides and also in fertilizers, especially those fertilizers we cannot obtain from traditional sources like the USSR. There is a lot of uncertainty in this regard, comrades. No one can be sure right now about when the situation in the USSR will stabilize, when they will be in a position to fulfill all the trade commitments we have agreed on. We have made progress. We have reached economic agreements, but in order for economic agreements to be fulfilled, certain objective conditions need to be present. These objective conditions are not present. There is goodwill on the part of the Soviet leaders to maintain a reasonable level—not the historic one but a reasonable level—of economic relations. This will is unquestionable, but strict fulfillment of all the economic commitments made does not depend on will alone.

We know which ones we have made, and we are fulfilling them, but sometimes there are difficulties even with exports. There are times we need two or three ships to transports citrus, and all of a sudden we find ourselves with an accumulation of citrus in warehouses—especially grapefruit, which is not as popular here as oranges—and we have to distribute surpluses. This has not happened in the capital but in other provinces. That is, we sometimes have problems not only in transporting the goods that come to our country but even in transporting the goods we should export to the Soviet Union. Right now, there are delays in this year's exports because there are not enough ships to transport the goods. I am telling you this only so that you will understand that trade is being carried out under very difficult conditions.

That is why when we make a plan, and we say 200 caballerias with microjet irrigation, we do not know how much steel we are going to receive or how many steel pipes we are going to receive. If we want the plan to be certain, it must be based on the idea of the willingness to invest $5 million. Regardless of this, production of

tubers and vegetables is the most noble thing we could do. We know how to produce sugarcane. We know how to produce rice. Rice is a difficult crop to grow; it is hard. Perhaps the advantage it has over tubers and vegetables is that it is a very mechanized crop. The fields are prepared by machine; it is harvested by machine. A few thousand men can take care of 10,000 caballerias, or at least 2,500 or 3,000, perhaps with 1,500 men or 2,000.

In fact, as we apply the engineering system to rice, the number of men needed is reduced, because the water man who has to go along fixing, opening, and closing terraces can take care of only four caballerias. With the engineering system, where there are no terraces and the fields are flat, the same water man can take care of 16 or 18 caballerias. So with rice, with the engineering system we are developing, one man can produce eight times more, because he can take care of four times as much land and the land produces twice as much rice as it produces with the traditional system. It also conserves water.

The production of tubers and vegetables has been mechanized very little, however. It is very difficult to mechanize. How can you harvest green beans with machines? There is a machine that can harvest a few green beans but it ruins almost all of them.

There is a machine, some machines, to harvest potatoes. I told you yesterday that we were studying this in case we have too large a peak in production in March and April, for the reasons I explained yesterday. In general this crop must be harvested by hand. I told you that in the developed countries immigrants do this. The Mexicans, Chicanos, Latin Americans, and Haitians are those who go to the developed countries to perform this manual labor.

Certainly our population has grown. The population of the capital and Havana Province is almost twice what it was at the triumph of the revolution. Almost 3 million people must be fed. That is on the one hand. On the other hand, an exodus of the workforce from those areas has occurred. I was telling you that it was not in sugarcane... [corrects himself] livestock raising. I was telling you that there was a problem to be solved in sugarcane—the shortage of workforce. The solution is machinery.

There is a real fact. Previously, in a farming family almost all the children stayed at home to work in agriculture. Today very few stay. At the time of illiteracy, with the lack of primary schools and especially the lack of pre-university and technical schools, the farmers' children remained in the countryside. The lack of jobs also forced them to stay there, but with the revolution all kinds of opportunities were created. Even the countryside was filled with pre-university schools. This was fortunate, because if not, the farmers' children would be in the cities, studying in the technical and pre-university schools.

Technical schools were created; all kinds of opportunities were created. How many farmers' children became teachers? We should not forget that there are almost 300,000 professors and teachers in this country. How many farmers' children became engineers? Tens of thousands. How many farmers' children became professors... [corrects himself] officers in the Revolutionary Armed Forces? Tens of thousands. Or officers in the Ministry of the Interior? Tens of thousands. How many became nurses and doctors? How many became mid-level technicians?

This is why I said—jokingly, of course—based on our own experience: Create schools, and you will be left without agricultural workers. Of course, this will not be our conclusion. We would not be socialists. What capitalism does is the following: It does not provide opportunities for the masses, the low-income sectors, the farmers' and agricultural laborers' children. It maintains a tremendous reserve of unemployed people, hundreds of millions.

In Cuba there were about half a million. No one had to organize a cane workers' camp. No one had to mobilize cane cutters. No one had to take them to the countryside. No one had to take fresh water to the cutters. No one took them their mid-morning snack. No one took them their lunch and dinner. No one built housing for them. No one organized tickets for them. Look at the difference. With capitalism they went alone. With socialism we have to do all that and more. We add prizes: cars, motorcycles, refrigerators, washing machines, and how many other things!

We chose socialism because it is a much fairer system, a much more humane system. It is a system of true equality. What kind of equality could you talk about with capitalism? [Socialism is] a system of true opportunities and possibilities for everyone. What kind of opportunities could you talk about with capitalism? They had an enormous reserve labor force. (?I think that) socialism can be developed as the productive forces are developed. There are many examples. We are saving 300,000 cane cutters with the combines. That is an example of labor force productivity which makes it possible for many of them to become doctors, teachers, officers, technicians, and engineers, etc.

The construction projects are a good example. You can see the productivity of our bulldozers, our cranes, our machinery. They are not always used efficiently—far from it. You can see the productivity of our loaders on the docks, when they load more than 7 million tons of sugar, almost all of it in bulk form. You can see the productivity of the machines that prepare the soil, or the rice combines, harvesting all the rice from more than 10,000 caballerias of rice.

Of course, labor productivity is the only thing that makes it possible for society to develop, to reduce the number of those who work in direct production and increase the number who work in services. Education is a service.

Public health is a service. No fewer than 700,000 workers must be working in these two sectors in this country, in the education and services realm alone. By human law, individuals seek the jobs that naturally are most comfortable for them, that naturally are least hard on them. There is a great difference between working in the shade, even if it is in a factory, and working in a furrow.

This phenomenon becomes worse if to this we add mistakes, mistakes such as neglect of the countryside, neglect of services in the countryside. There was a time in which mistaken concepts prevailed, the plans for social development in the countryside were halted, no new housing was built, and the farm workers were forgotten.

Good things were done, such as the cooperative movement, and the cooperatives were given funds, facilities, all kinds of things. Farmers were given assured prices, income. Really, in that famous wage reform, the farmers and not the agricultural workers were the last card in the deck. Why would it be odd that if their children had the opportunity to study they would go study, and whoever could find a more comfortable job would take a more comfortable job?

The rural schools for this kind of crop were a good idea. I am not talking about citrus, which is not such a hard crop, but here in our capital, the tuber and vegetable crops were taken care of mainly by the rural schools and partly by the students sent to work in agriculture on their vacation time. Because it should not be forgotten that the capital has sent tens of thousands—I do not know the exact number, but it may be 30,000, 40,000, or 50,000—of students to Pinar del Rio. There they produced tobacco, and fewer tubers and vegetables were produced here.

It is not that no tubers and vegetables were produced. [sentence as heard] In the cool months there were the rural schools and there was some production. We saw the problem in all its intensity this year, in 1990, when because of the white fly infestation in tomatoes, and the rains and heat affecting potatoes, we asked agriculture for a special planting effort in March, April, and May. Then we saw the whole truth and the whole reality more clearly than ever.

Morale at the agricultural enterprises and among the agricultural workers had plunged. They were told: Plant, plant. They knew, however, that the crops would be lost. They made a great effort in March and April last year, but when May came the exams began, and sending students to the countryside stopped. The efforts of the rural schools stopped, and at that time even our illustrious agricultural workers also took some vacation, as a rule, because their children's vacation started and they wanted to take some vacation.

Who was left at the vegetable enterprises in June, July, and August? No one was left. Who could take care of 2,000 caballerias, and above all who could take care of the 22,000 caballerias of the state? That is why when the July mobilization was done last year, when we heard about the weeds growing in the fields, the weeds were taller than a man. A man would come along with a machete cutting weeds to get a squash out, or to get a cucumber out. Even in the plantains with microjet irrigation that we had planted, the weeds were as tall as the plantain plants.

It was precisely then that we clearly saw the whole drama of vegetable crop agriculture in the capital. There was a shortage of tubers and vegetables in spite of the planting. The enterprises adapted the farming of th crops to what was needed at the time. It needed, they planted corn in one line and then ran a tractor down the middle to get 300 quintals from one caballeria. So they could have tamales for three days, and the rest of the time there was nothing.

We had been doing the food program. We had been developing the integral pig-raising plans and the poultry plans in many places. Nationally, three years ago, three or four years, three years, 5,000 caballerias [words indistinct] had been assigned to production of tubers and vegetables. A program to build dams, canals, and irrigation systems for tubers and vegetables was being carried out throughout the country. Given that sugarcane is sacred, 5,000 were assigned. This has made possible a considerable improvement [words indistinct] the country. In Havana itself, more than 400 caballerias were assigned to growing tubers and vegetables, caballerias from sugarcane.

The problem was not land, or enough land, in spite of the fact that the province had less land per capita for tubers and vegetables than the rest of the country. Santiago had another problem. Santiago de Cuba Province proposed to become self-sufficient and they are achieving this, in spite of the fact that they do not have much flat land. In a short time, by applying technology and also with microjet irrigation for plantains, and although they have to provide tubers and vegetables for about 600,000 inhabitants, Santiago de Cuba is going to be self-sufficient and will have more irrigated square meters per capita for tubers and vegetables than Havana City and Havana Provinces.

The drama was seen very clearly, and only six months ago this program was started. We cannot call the program that started in July when [word indistinct] and the people mobilized to help and they ran into the fields of weeds. You can imagine the impression it would make on someone from the city who came to a field in Havana Province and in order to pick a cucumber had to cut down a weed a meter and a half tall, or weed the plantain fields. We saw this situation and we said: This requires a solution.

September, October, November, December, January—only five months ago this battle for tubers and vegetables began in the capital. No, not in the capital, in Havana City and Havana Provinces. [corrects himself] Only five

months ago, we analyzed the problem in depth. We saw the real situation. We calculated the land, and the real and decreasing workforce. Then we worked out certain ideas to solve the problem. All this was already at the beginning of the special period, when fuel was scarce, and when travel had to be cut down.

We discovered that there were not enough agricultural camps in Havana Province. Many of them were old ones for students. We discovered that if we mobilized the student brigades in July and August, there would not be enough housing to mobilize workers from Havana. So the battle began with analysis of the situation, drawing up plans, planting schedules, analysis of each of the problems: the pests, what pests were affecting us most, how should we fight them, the status of each of the crops, the available land, the land in state hands, the land in the hands of cooperatives, the land in the individual farmers' hands.

We discussed this program for production of tubers and vegetables in Havana in the executive committee of the Council of Ministers more than once. I repeat that we did not deal with livestock-raising, because we had already analyzed and discussed that. We did not deal with the fishfarming program; we had already analyzed and discussed that for the entire country, and it was underway. We did not deal with the rice program; we had already analyzed and discussed that. We did not deal with the national pig-raising program or the national poultry and egg program. We did not deal with the citrus program; we had already discussed that. Rather, we dealt specifically with the issue of feeding, of supplying with all the tubers and vegetables needed, the almost 3 million inhabitants of Havana City and Havana Provinces.

This is how we began to wage the battle we are all involved in, mainly, of course, the comrades in the vegetable-raising areas, although the entire province has to help in this battle. The central government [has to help] with the cooperation everyone has to provide for this effort. Everyone was asked to help; the capital was asked to give great help. The party and the people's government were asked to help. Various estimates were made about how many camps, how many of this or that, until we reached the conclusion that there had to be about 60 camps. At a given time up to 20,000 workers would have to be mobilized. The capital was asked to help us build these camps in record time, at least 40 camps. The province was asked to build 20 camps.

These camps would have to be fully operational by March. It was a great effort. The minibrigade members were asked to drop whatever they were doing to go build the camps. The minibrigade members had other serious commitments like the Pan-American Games and many projects in the capital, including four agricultural product distribution centers, which are going to provide invaluable services, and more than 150 small markets to complete the distribution network in the capital.

That is only in that area, because in the other areas of agriculture, I can say there were resources, time, and dedication in the other areas of agriculture. This one was the most difficult, because it involved a difficult problem, the mobilization of people from the capital. This was political work, because the people from the capital cannot be dragged by the neck to work in agriculture in Havana Province. It had to be a work of persuasion, and a work of persuasion that involved the participation of hundreds of thousands of residents of the capital at various times.

In the beginning, 15-day mobilizations were considered, until one day Comrade [Candido] Palmero [chief of the Blas Roca Calderio Contingent] proposed creating a contingent for agriculture. I thought that was an excellent idea. I said: Right away! Where would we send a brigade of the Blas Roca Contingent? I said: To the plantains and bananas with aerial microjet irrigation, because a contingent needs year-round, continuous work, just as we had thought of the contingents originally.

In the beginning, we thought of a single contingent. After the first contingent was formed, we saw that we needed more contingents, since there were going to be about 500 caballerias of plantains and bananas with microjet irrigation, including 100 caballerias of plantains. We said that it would be better to have a contingent wherever there was a plantation like this, because this lends itself better to the discipline of a contingent.

So about 20 contingents were formed, each of which would have at least a little work with plantains, because it was impossible for 20 contingents, since the plantations were scattered. Some had already been planted. The areas had to be established at each of the eight enterprises so that the plantains would be well-distributed between Artemisa and Nueva Paz. Therefore we had to split up the plantains, although the Blas Roca Contingent got more than 200 caballerias, since they were the most veteran, best organized force. So we reached the conclusion that there should be 20 contingents, and the rest from mobilized workers.

All these ideas developed gradually. We began to think about permanent solutions, and we said: What might the permanent solutions be? Only the communities. That is when the idea of the communities came up. We must build towns to stabilize the workforce, with personnel from the capital.

When I say from the capital, I am including people from Guantanamo, Granma, Holguin, Las Tunas, etc., etc., who have come to the capital in very high numbers, although some of us have been here a while. When I ask someone: You are from the eastern region, are you not? He says: Yes, but I came here before the revolution. I say: Well, alright, those of you who came before the revolution have been amnestied. [laughter]

I can say the same thing: I came here before the revolution. You see? The number of my contemporaries who

have come, even from Pinar del Rio! [sentence as heard] When I say residents of the capital going to Havana Province, I am including everyone; that is, those who, having been born in the capital, want to go. Of course, these days each of our communities is becoming, is becoming a district of the capital, really a suburb of the capital, regardless of the ideas of our dear comrades in urban planning, because if a bus does not go by their town we have to put in a route that will pass through their town, or one that will take them to near where a bus passes.

Everything in life is very relative. Many of us have lived in the countryside. I remember the times I had to walk or ride horseback 4 km to catch the train. I think our communities are going to have such conditions that it will not be difficult to live in our communities. The idea came up that we must seek permanent solutions. We calculated how many communities, because we know how many camps, and we located them. I discussed with the comrades who were directors of the eight enterprises, with maps in our hands, the location of all the communities.

I argued with them when they wanted to put them in rocky place. I said: The rocky place is too far away. Let us look for land closer in. I said: We have 22,000 hectares. Would it not be worthwhile to use 100 or 200 hectares so that the other 21,800 are well cared for and productive? That is what this is about. A community would take up a few hectares and would ensure a workforce for 1,000 hectares.

What does it matter if you use four, five, or six [hectares] if you are going to be able to take good care of—as you should—994, 995, 990 hectares? This is logical. The people can walk to work. They will not have to use carts or buses. In some cases they can use bicycles, because they have to go 1 km, 1 and a half km. They can go home for lunch. This is a criterion we have followed in developing our concept of the agricultural communities. They should be agricultural communities, not a heterogeneous mixture of all kinds of activities.

So the problem is, you may say, that we have to build 32 communities. Who will build them? Can you imagine construction projects in 32 communities? We said: The contingents can build them. If the contingents are working 100 percent of the time on plantains, they have little time left for construction, because plantains are from January to December. If the contingent has another kind of crop, or only has some plantains, it can spend time on construction with some support. For example, we have some brigades building schools in Havana. Since the Blas Roca Contingent is saturated with plantains, and almost all its forces are pledged to plantains, some of these brigades can be put to [word indistinct] the towns.

The idea is to find support so that each of the contingents can build a town. So we can see that it is possible that four more contingents will be formed in the new areas, plus the citrus contingents, so we will have to work on about 40 towns, more or less. So the number of contingents arose like that. These ideas....[rephrases] No idea is born pure and complete the first day. They are developed by following a line of reasoning. So we have been solving many of these problems.

I was saying that the most important thing is the political problem. Could we count on the city for this task or could we not? Events show that we can count on the city, and not only that we can count on the city, but that we can count on an increasing spirit of cooperation in the city. Life teaches us a lot, and we have seen the reactions of those who have participated. A new spirit is developing about these mobilizations.

Yesterday we calculated how many we would mobilize if we need 20,000 [people]. Since half—10,000—are contingents or will be contingents who are coming for two years, we would really be mobilizing 10,000 every two weeks: almost 20,000, almost 20,000 per month. About 200,000—because there is not always 100 percent; there will be times when the demand for labor is a little lower—about 200,000 Havana residents, if they go once a year, and about 100,000 if they go twice a year.

That is when we discussed the suitability of having some of the population participate. I am convinced that from the political point of view, the ideological point of view, the moral point of view, and even the mental point of view, it is appropriate for many of the party and youth members and many workers to experience those two weeks. I am completely convinced. If they went once a year, it might be that more than 200,000 Havana residents would not have to be mobilized in a more or less short period of time.

I am really impressed with the way the Havana workers have responded and are responding, no longer about going to places in Havana Province but to more distant places, such as Pinar del Rio, under harsher and more difficult conditions. I remembered a little the initial years of the revolution, when there were mobilizations for the literacy campaign, when there were mobilizations for the schools in the mountainous areas, when there were mobilizations for the sugar harvests, because in our country there was a shortage of cane cutters long before the machines came.

More than half the cane cutters disappeared in the first four or five years of the revolution, and there was not a single machine or collection center. Tens of thousands of Havana residents were mobilized for entire sugar harvests, and the students were mobilized for entire sugar harvests, students with great spirit. I do not think that this generation or these residents are less enthusiastic than those were, or less combative than they were. On the contrary; I think that these residents have greater political culture. These residents necessarily have to generate a more aware kind of enthusiasm than they did. This is what is becoming obvious now, with the many examples we have heard every day.

People are mobilizing and [words indistinct]. Two days ago I heard the news that the university students were also going to participate, entire departments, for two weeks. I said: What a marvellous thing, that these tens of thousands of university students also will participate in these mobilizations! This helps us. This helps us to [word indistinct] better; it helps us to become better trained politically.

No one can tell what this ideological strengthening is worth under the current conditions the world is experiencing. This ideological strengthening comes at a time of crisis for socialism, and we can show here what socialism can do. We can show here the strength of our ideas, not only with political ideas, not only to strengthen the people's political muscles and the people's political brains, but rather to do important, decisive things during the special period, which is what we are experiencing.

We can show that we can turn everything around. As each of the enterprise directors has stated here, as each of the party secretaries of the vegetable crop areas has stated, there is a (?turnaround), there is a total change. What we are doing now had never been done before. These crops had never received the attention they are receiving now. They had never been planted as punctually at the best time.

It is nice to hear this. It is nice to hear that the crops are more weed-free than ever, in spite of the climate, in spite of the heat. Now we know how many potatoes we can get if the fields are weed-free, fertilized, cultivated, and watered. There is something new, temperatures two or three degrees higher. Now we know it, and we are thinking about what varieties will stand the heat better. That is a real fact, the phenomenon of climate change. This forces us to think very deeply about these things.

It is especially nice to hear, as we have heard here—and I think that this assembly will be historic—that a number of agricultural workers have begun to return to the enterprises. This is something new. For many years what we heard each year was that there were fewer and fewer agricultural workers. Now there has been an increase in a few months by a few hundred agricultural workers. They have increased by about 600 or 700. It is very nice to hear here what was said about agricultural workers who were working four hours, four and a half hours, five and a half, are now working eight hours, eight and a half, nine, and even 10 hours. This is very nice.

It is very nice to hear that right now the students in the rural schools and the students working in agriculture on vacation time are working much better and with more enthusiasm. It is very nice to say...[corrects himself] to hear that those mobilized for two weeks are fulfilling and exceeding the standards. It is very nice to hear that the contingents, in spite of being new, are reaching 150 and 200 percent [of the standards]. There are cases in which the contingents are reaching 250 percent of the standards.

All these things are really positive, extremely positive. It is nice to hear that many who had no involvement in study or work are joining up, and these are not only those demobilized from the Ministry of the Revolutionary Armed Forces [Minfar] or the Ministry of the Interior [Minint]. Even young people who have not come from the Minfar or the Minint are joining up and are giving a good response. This shows the value of example, the influence of the group, the value of education, and that people are not formed spontaneously.

It is nice to see how the Blas Roca Contingent is expanding. It is not only for construction in Havana City and Pinar del Rio and Havana Provinces but now also for agriculture. It has six agricultural contingents, and the principles, concepts, and standards that made the idea of a contingent triumph are also triumphing in agriculture; for example, working 10 hours, 11 hours, 12 hours, 13 hours, 14 hours, or however many are needed when circumstances require it.

We listened to all this yesterday afternoon. All this gives us a lot of confidence in what we are doing. All this shows us the success of the effort, all these things and new efforts. That is why we were thinking about having housewives go also, but for one week, one week one time and one week another time. New ideas are coming up every day. So this summer, this spring, will catch us with more than 2,000 caballerias planted, including the plantains already planted and being planted.

There will be 20,000 workers, plus a great number of agricultural workers, and in July and August the student work brigades, which are an excellent force. Now a matter as essential as attention to the workers has not been forgotten. We have seen the camps, visited the camps, seen the conditions in which the people lived there.

We began to develop ideas, and we presented the need for high-quality camps, the best possible quality, not with big rooms but distributed in more family-style, more humane cubicles than the big rooms, how the bathrooms and all the sanitary facilities should be built, what recreation should be like at the camps. We had already said that in this Havana had to be in the vanguard, and the Havana experiment would have to go forward. There was an energy crisis, and we could not put air conditioning in. If not, we would happily have installed air conditioning units. Who deserved it more?

The energy crisis did not allow us to, and the energy it takes to run one air conditioning machine can be used to run maybe 30 fans. Since the energy crisis and the special period has forced us to reduce sales—to suspend sales of all these articles—there was a stockpile of elevators. No, not elevators, fans. [corrects himself] A stockpile of fans, and we said, well, we will reserve them for the camps. Each camp has 72 fans, including an extractor fan in the kitchen. Seventy-two fans use less than two two-kilowatt or two-ton air conditioning machines.

With the equivalent of two [machines] we have ensured that there will be cool air in each cubicle. We have ensured that there will be cool air in the dining hall. We have ensured that there will be cool air in the recreation areas. We saw that space was a little tight and we added 20 meters more to the perimeter fence for each camp. There is a doctor and a nurse for each camp. There is a good dining hall: two freezers of about 15 or 20 cubic feet each, or a large refrigerator; two stoves, one gas and one wood, depending on the circumstances and the time; two small recreation centers with a color television in each one, board games—all the ones that have been requested: dominos, chess, parcheesi, checkers, whatever they want—a videocassette recorder to show whatever movies the workers like in the evening; a car as an ambulance there, in case of an accident or illness.

They will also have an intercom system. They have been purchased but have not arrived yet, (?but they are on their way). The mobilized workers will be able to wake up with bright music, if they want, soft music, or the Mambi reveille or whatever bugle call that would be less traumatizing than the bell ringing. [laughter] We are going to abolish the bells at the camps. There we are going to wake up our workers with music.

Not everything has been finished; there are more things. We have been thinking that they have little mattresses, very thin, a little piece of cloth, which may be excellent for the back, excellent for the spine, but it is not excellent at all for sleeping well after 10 or 12 hours of agricultural work. Then you have to bend down how many times, 3,000, 2,000, 4,000, to plant one cabalieria of plantains. We are making efforts to get some small mattresses. We established a small difference between those who come for two weeks, 7 cm to take care of their backs, and 10 cm for those from the contingents.

We have studied the question of the books, and the library for each contingent. We have studied and we are studying some gym equipment, weight-lifting equipment, and other things they want to do, mainly the young people. You can imagine how much energy they must have after the 10 hours [of work] to go lift weights in the evening. In short, the camps are a model. [Words indistinct] the food in the same or better than that for the construction contingents. I must say that the food is better than at the Havana Libre Hotel, that is for sure. The amount of animal protein they serve is plentiful.

I assure you that [words indistinct] has not been taken away from anyone. I want you to know that each ton of chicken that is given there to those mobilized workers has not been taken away from any hospital or school or the populace. It is imported. It is imported. The squid that are caught there are caught and what they have there as an extra food ration is based on extra spending by the country. We can do no less than feed well those who are going to help in a decisive way in feeding almost 3 million residents of Havana City and Havana Provinces. Both the contingents and the mobilized workers have an excellent diet.

The principle of the attention to workers is obvious. As Palmero said, attention to workers is not only food or what is given to them but also how they are received, the kind of treatment they are given in that collective. Excellent workers collectives are being created. There is a big fraternal spirit. Many of the ones who have gone once want to return with the same people. This is why we asked for groups to be created in such a way as to attempt to keep the members together as much as possible. An entire history is being created with this mobilization.

As Comrade [Jorge] Lezcano [first secretary of the City of Havana Province PCC Central Committee] explained, there are not only mobilizations in Havana but also in Pinar del Rio this year. There are mobilizations for cane cutting, for camp constructions, and for tobacco harvesting. The important thing is not that a worker.... [changes thought] It is not a matter of having a festive mobilization, a weekend [previous word in English] in the countryside. It is a matter of serious and difficult work. I have seen the sacrifice made by workers who go there for 15 days. They are not used to it. Their hands swell and they get blisters. It is a difficult sacrifice for those who go for 15 days. It is a sacrifice that logically the ones who go for two years do not have to make. The revolution and the capital have shown they have resources.

I was saying that in Pinar del Rio this year.... [changes thought] As I was explaining yesterday, we are going to plant in (?Havana) Province next year the tomato plants that are being planted in Pinar del Rio this year. It is a lot closer. Workers will be in better camps because they are camps that are designed to house people year-round. They have much better facilities. We decided to incorporate 4,000 more hectares of land to plant tubers and vegetables. In addition, the province has made a serious commitment. The province has had a great reaction. As we said recently during a meeting, Havana Province has responded honorably to this effort. Havana Province has been mobilized.

The municipalities that harvest miscellaneous crops have been mobilizing thousands of people. The mobilization of the capital has not been completed. Even when the mobilization of the capital is completed, when the hectic time of March, April, and May comes, who knows how many people we will need to harvest potatoes [words indistinct] crops and plant everything we need to plant. We would not like to mobilize the towns from January or December. We would like to mobilize them during peak times and to carry out practical work. We should not mobilize one more man or woman than necessary.

When we have the great mobilization of 62 camps, later there will be 67, and with the citrus crops they will perhaps be 74—if a big one is divided in two—when we have that force mobilized, we will really see what kind of deficit we have in the area of agriculture. I hope this will happen mainly at times in which great harvests with

large planted fields take place. This is when the towns of the province need to mobilize because of those crops.

I repeat, the situation is not the same everywhere. We are going to turn those 42,000 hectares of tubers and vegetables in a truly high-quality vegetable garden. We cannot deny the fact that sometimes we will have off-season hurricanes which are very destructive. We cannot deny that we can have storms. We are mentally prepared. They will destroy our plantain plantations, but we will quickly rebuild them. We think they could affect the hoses and everything but the posts will not be knocked down. Some cables could be destroyed. We should have cable in stock. They are not going to destroy the underground pipes. We do not even have to plant the plantains again. All that needs to be done is to cut the plants that have fallen and wait for them to grow back. If not, a hurricane can make us lose a year's worth of production. This is why I was saying that we need to develop production in different provinces because we will not be able to get rid of the weather phenomena enemy.

Diseases can appear. We will fight against diseases because we now have many more researchers, many more research centers, and greater efficiency. Our country is mastering science and technology. We will be ready to defend ourselves against any kind of natural disaster. They are not going to discourage the effort we are making.

As I said, the goal is to turn that land in a true vegetable garden of the capital and the province. I always make the computation of the square meters per capita and production per capital based on the 2.7 million inhabitants of the two provinces. You can substract some tens of thousands because of the self-sufficiency in sugar industry enterprises and in various types of other enterprises. There are peasants who are self-sufficient in terms of these vegetables. Just in case, I always make my computations using the 2.7 million inhabitants figure.

We were saying yesterday that the sugar industry has given us land and in spite of that maintains its sugar production levels. The sugar industry sector in Havana Province has great merit because it gave up over 400 caballerias of land and at the same time maintained sugar production levels. The sugar industry sector is now giving up 300 more caballerias. Our intention is to help the sector to introduce the plot drainage system wherever this system can be applied and irrigation wherever it is appropriate. This is a sort of moral commitment we made with the sugar industry workers who have helped us gather these 42,000 hectares we are going to have by the end of the year... [corrects himself] by the middle of the year, by the end of this sugarcane harvest.

Ceiba del Agua will also become a citrus orchard with the most modern techniques. It already had some caballerias with a drip irrigation system and 100 more caballerias will have it this year. I believe that if we do not speed up the construction of camps.... [changes thought] Lezcano and Lemus will have to build the five or six we still have to build in the [word indistinct]. If we do not complete the (Bejucubi), if we do not give them the conditions, the program is of no use. We will not be able to get 71,000 tons [of citrus] in 1992. I believe we can only achieve this if we clean the citrus orchards well this year. If in 1992, we get 71,000 tons, it is logical that we get over 80,000 tons in 1993. We believe the pace that was mentioned here is too slow if we have the camps and we give the citrus sector the attention we are giving.

We are going to turn .... [changes thought] One of the agreements reached, the agreements reached over a year ago was the citrus orchard with which we aspire to obtain up to 200,000 tons with the [words indistinct] with the microject or drip irrigation system, with the demolition of part of the surface, with the planting of the windbreaker shields areas. The windbreaker shields have shown to house insects which take away water and light. Plants are planted better with a density... [changes thought] They are protected better with a greater density of [word indistinct]. They will be like walls of (?water). We intend to build in Ceiba one of the best orchards of the world with the most modern techniques. You see three types of cane crops, citrus, tubers and vegetables, plantains, and all that.

We will continue to make progress in the cattle programs which we have not discussed in detail here. We have to turn the capital into a vegetable garden, worthy of the level of education our country, of the scientific advances made by our country, of our country's needs, of the almost 3 million people who have gathered in the most narrow province in the country where the rain water has to be distributed in the greater Havana area to fill the needs of the people and industry. I believe it is a truly interesting and encouraging goal. We are not talking about fantasies. We are talking about realities, of communities that are already under construction, and programs that are being carried out.

This year we will complete the water transfer project from Matanzas to Havana. We will only use it under exceptional drought circumstances because of the energy costs. This year we will complete the South Dike which goes from Artemisa to Batabano and should yield some 300 million cubic meters of water. We will work, according to studies, on the Batabano Dike toward the east. There is a great basin over there of some 300 million of cubic meters of water around Nueva Paz. Therefore, we can do many things.

We are encouraging the cultivation of herbs and spices so that a garden is created in each camp. A program has been carried out so that enterprises and cooperatives supply those herbs and spices—such as leeks, chives, and many more—to 50 places in the capital. There are many herbs and spices that we do not know how to use. We are going to widely develop the production of medicinal plants. This is a modern trend. We are going to do this to take advantage of our resources in medicinal plants. We are going to build an entire industry. Work is already being done on this. There may be some possibilities of

producing plants used for cosmetics. These will be important crops and [words indistinct].

I believe that Havana Province has to be at the vanguard in all that; the province and the capital. The capital also has a little bit of land that is not included in any of these plans. How much are we going to produce? I believe that we are going to produce many tubers and vegetables. We are going to produce more than enough [words indistinct] or to export what can be exported, and to use what cannot be exported and is left over in the pig-raising program. It is better for there to be more than enough. We are not going to harvest potatoes for the pig-raising program, although there are some countries such as Poland that feed pigs with potatoes. Potatoes are expensive for us. We are building the factory to produce potato seeds. Potatoes are expensive, among other things, because we need to spend $10 million on seeds. We do not produce all of them here. We already have biofactories in Havana and Villa Clara to produce all the potato seeds in our country. The biofactories are working.

I want to tell you that this food program is supported by an entire arsenal of scientific institutions, research centers, research centers to maintain the health of the animals, the health of plants, to combat weeds. We are developing the production of our own pesticide, pest control, and herbicide products. This is one of the areas we are going to strongly develop. Animal health care will be almost at the same level as human health care, not only to protect our human population and our animals but also to export products related to human and animal health, or to export seeds, and many other possibilities.

As I have said on other occasions, among the pillars on which the development effort in the special period is based today, the food program is one of the primary ones. With the difficulties we must overcome, the greatest ones will be in those products which require imported grain. That is where we will always have the greatest obstacles, the greatest limitations, the greatest headaches.

The tourism program is being developed with great momentum and should provide us with hard currency for the other programs. The biomedical, pharmceutics industry, and high-technology medical equipment program is receiving a great boost, and our scientific workers are working with greater and greater enthusiasm. We could say that they are working with the spirit of a contingent. Several of them are working with the spirit of the best contingents. This idea is making progress, and it was precisely at a scientific research center that the idea of the contingents arose. So they go together.

I can assure you that the effort being made in the field of science is impressive, and that this effort shows great potential for our country. You have some of the research centers. You have the ISCA [Higher Institute for Agricultural-Livestock Sciences], which has solemnly pledged to have the best 100 hectares of crops, or the best-cultivated 100 hectares in the world. We are going to try to emulate the ISCA in the other provinces. You have the CENSA [National Center for Animal Health]. You have the CENSA, you have the ISCA; let's keep them straight. You have the ICA, the Institute for Animal Science. You have the INCA [Agricultural Sciences Institute], the INCA, [repeats]; it is the third one you have here.

CENSA, ICA, and INCA, the agricultural sciences one. [sentence as heard] We have placed a lot of hope in these centers, in addition to the university. You have the CENPALA [expansion unknown]. We hope it will do what it is supposed to do and not try to cover the entire scientific program, because if it does we will have to annex CENPALA to the capital, and that would be the end since there is the little town between the two. The future of CENPALA will be determined by the number of animals they produce, and we have them there in Havana Province.

We have the Biological Products Center, which is a great center. We have sugar industry research center, the Cuba VII and Cuba IX. How many Cubas do we have now? [Audience answer indistinct] Cuba IX, Cuba X. We have the [word indistinct], and we have a number....[rephrases] If I do not remember all of them right now, you will pardon me. I have already said the Ministry of the Sugar Industry [Minaz] ones. Are the Minaz ones not the ones there at Cuba IX and Cuba X? Did you not know they are under the Minaz? [laughter] What is this? The president of the people's government does not know whose centers those are. [Unidentified speaker's words indistinct] What? There are all kinds of things there. In Havana they have several scientific research centers.

Above all we should look at the work, the work of the two provinces, very much interconnected, very much working together. They are twin provinces, do not forget, and what affects one affects the other. I think there is a great effort, the effort of almost 3 million people, I repeat, and I know the resources that have been built up in this region, the possibilities of all kinds of resources: water, land, the quality of the land, the quality of the people.

I think we have a magnificent program ahead of us in many fields, in all fields. We have had an idea, for example, of putting an agricultural technology school in each municipality, if possible, of the eight vegetable crop enterprises. What? [Unidentified speaker indistinct] Yes, but in addition [words indistinct] also. It would be impossible for the municipalities to support eight centers. I proposed this, the minister of education proposed this, that we have to have one in Havana also, for the suburbs.

We need fewer university graduates and more workers skilled in agriculture. Agriculture is turning more and more into industrialized farming. You can see that planting plantains and bananas with aerial microjet irrigation is industrial. It is a man who opens and shuts

valves. Five men take care of one caballeria, with a capacity to produce $60,000 or $80,000 per man.

I do not need to tell you that, for example, those bananas bring a relatively high price on the market, about $400 per ton for top quality bananas. This means that 100 caballerias of top quality bananas can produce enough to pay for all the inputs—fertilizers, pesticides—everything 2,000 caballerias would need. I have not lost hope that at some point if we have a large surplus, we will be able to export some of this type of bananas, so that they will pay for themselves. Because they need a lot of fertilizer and pesticides. They do not need herbicides because weeds do not grow among those banana plants.

We are planning, based on the example of the technical school over there in Quibican, an agricultural technical school in each of these places. You can see the program, but you can also clearly see, comrades, that only socialism can do this. Only socialism can carry out a program like this. Only socialism can carry out rectification like this. We have to think of all these things, because we cannot renounce the fundamental human objective of socialism. We could not resign ourselves to the principle of: Build schools and you will be left without agricultural workers. Rather, we will say: Build schools and you will have tens of thousands of scientists.

Build schools and you will have tens of thousands of good cadres. Build schools and you will have an educated nation. Build schools and you will have a nation that is aware and able to pass any test. Build schools and you will have a nation of socialists and communists.

Because it is not the schools, it is the mistakes we men make in any human task, any social task, any revolutionary task. We are the ones who have sometimes copied when there was no need to copy. We are the ones who forget, with the glories of memories. We are the ones who become bourgeois or allow others to make us bourgeois. We are the ones who become confused or allow others to confuse us.

Whoever has participated in this meeting, and has seen the analyses, what we are doing, what we propose to do, the successes we are starting to obtain, can draw only one conclusion. This is that only with the revolution, only with socialism, can these plans be carried out and these achievements obtained. That is why this has become one of our slogans: Socialism or death, fatherland or death, we will win! [applause]

Lazo Heads Delegation to Haitian Inauguration

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[Text] A Cuban delegation headed by Cuban Politburo Member Juan Esteban Lazo has arrived in Port-au-Prince, Haiti, to attend President-elect Jean-Bertrand Aristide's inauguration.

In addition to Lazo, who is also first secretary of the Santiago de Cuba Province party executive bureau, other members of the Cuban delegation are: Pedro Chavez, president of City of Havana Province National Assembly of the People's Government [ANPP]; Ramon Pez Ferro, chief of the ANPP international relations department; Lazaro Mora, member of the Ministry of Foreign Relations department in charge of affairs of the Americas; and several officials representing other Cuban sectors.

GRANMA correspondents Dante Escardona and Rene Camacho, and Cuban television reporter Milton Diaz have reported that they have witnessed the happiness of the Haitian people on the eve of Aristide's inauguration ceremony which will be held on 7 February.

They added that the streets are filled with people and cars. They also said that it is evident that the nearly 6 million Haitians, who inhabit this small country which is experiencing serious economic difficulties, cannot hide their tragic living conditions despite the colorful scenery that is characteristic of the Caribbean region.

Lazo, Evans Paul Comment

FL0702021391 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 7 Feb 91

[Statements by Politburo member Juan Esteban Lazo and Port-au-Prince Mayor Evans Paul; Evans Paul speaks in Creole with simultaneous translation into Spanish—speakers identified by caption]

[Excerpts] The first high-level Cuban delegation to visit Haiti in the last 30 years arrived in Port-au-Prince on Tuesday. [passage omitted]

[Begin recording] [Lazo] Our presence here is extremely important because it has been so long since an official delegation visited this country and because it takes place at a time of so much historic significance such as this one. We are very glad to be here responding to an invitation given to us to attend the presidential inauguration. On behalf of all the Cuban people we would like to convey greetings to all the Haitian people on this historic moment. We wish them much success in their struggle to achieve a better way of life.

[Evans Paul] The people had always asked for relations with Cuba. We are at a stage of being able to establish diplomatic relations with Cuba. In spite of the problems of the dictatorships, the Haitian people have always been at the side of the Cuban people and the Cuban people have been at the side of the Haitian people. [laughter] Thank you. [preceding two words in Spanish] [end recording]

Meets Delegation Chiefs

FL0702133091 Havana Tele Rebelde Network in Spanish 1200 GMT 7 Feb 91

[Text] Juan Esteban Lazo, member of the Communist Party of Cuba [PCC] Politburo, in Port-au-Prince last

night presented the credentials accrediting him as chief of the Cuban delegation to the inauguration of Haitian President-elect Jean-Bertrand Aristide. Aristide is scheduled to take the oath of office today in a ceremony to be held at the Legislative Palace.

Yesterday, Lazo held meetings with, among others, Venezuelan President Carlos Andres Perez, Jamaican Prime Minister Michael Manley, Brazilian Vice President Itamar Franco, and French First Lady Danielle Mitterrand.

Representatives from 48 countries are attending Aristide's inauguration ceremony. After taking the oath of office, Father Aristide will attend a mass of thanksgiving and address a message to the nation.

Domestic Trade Official on Rationed Foodstuffs

FL0702025591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 7 Feb 91

[Interview with Rigoberto Fernandez, vice minister of domestic trade, by Hilda Prieto; place and date not given—recorded]

[Text] [Prieto] In spite of reports, there is still a rumor among the population that the lard quota is going to be reduced. This rumor started because the people were supplied with half a pound less of lard this month. Is this true? Has the [Domestic Trade] Ministry thought about doing this because of a certain need or is the remainder half pound going to be given later?

[Fernandez] The population will be informed ahead of time when there is a need to reduce the quota of any food product. Those rumors are started by ill-intentioned people and some naive people believe them. The grease quota is not going to be reduced at this time. The grease quota per capita is of one and a half pounds. The way it is supplied depends on availability. For example, people can get a pound of lard and half a pound of oil, [as heard] or a pound of oil and half a pound of lard. It is true that there are some delays in the country. For example, there are provinces in which the quota for the month of January is being supplied now. There have been some difficulties with the arrival of raw materials and imported greases. A pound of oil and half a pound of lard is going to be supplied in Havana. Thus, the grease quota is not going to be reduced to the population.

We are prepared to receive more oil than lard in the future. Oil is healthier. Consumers prefer it. Lard is a little difficult to obtain in the international market at this time.

[Prieto] Rigoberto, there is also some concern over the supplies of sugar and rice.

[Fernandez] We cannot pay attention to ill-intentioned rumors. The revolution is going to inform the population when the time comes in which it is necessary to reduce the quota of any good. It is true that we are going through a special period but great efforts are being made to guarantee our people's quotas. They are going to continue receiving the set rice and sugar quotas. Up to now, there has been no intention or need to reduce the quota of any good.

[Prieto] Why are some rationed goods delivered only in part?

[Fernandez] You know that the government leadership is making every effort so that the supply of goods, especially foodstuffs, is provided at the scheduled time. There is no doubt that we have problems with fuel, raw materials, transportation, and containers. Sometimes we even have problems in obtaining these goods. Therefore, we are forced to deliver partial quotas. This does not mean that the people's quotas are going to be reduced. We are also delivering partial quotas for condensed and evaporated milk. The full quotas will be delivered whenever possible. This does not mean that the quotas are going to be reduced to the population.

Barbados

'Throne Speech' in Senate Outlines DLP Goals

FL0602235091 Bridgetown CANA in English 2232 GMT 6 Feb 91

[By Reudon Eversley]

[Text] Bridgetown, Barbados, Feb 6, CANA—A new Parliamentary session opened in Barbados on Wednesday [6 February], with Governor General Dame Nita Barrow outlining the programme of the ruling Democratic Labour Party (DLP) which was given a second term in general elections on January 22.

Delivering the traditional throne speech in the Senate chamber before parliamentarians, dignitaries, and other guests, Dame Nita listed a dozen basic goals the administration of Prime Minister Erskine Sandiford will pursue over the next five years. These include expanding national output, enhancing employment, raising living standards, increasing investment, maintaining the current value of the Barbados dollar, increasing food production, providing better health, housing, and education, keeping inflation at moderate levels, and promoting increased exports to support a sound balance of payments position.

Repeating a DLP election campaign pledge, Dame Nita signalled the government was according high priority to redistributing national wealth through policies to expand ownership. In this connection, she said legislation would be introduced shortly to establish an agency called the New Enterprise Administration "as a means for bringing many more persons into the mainstream of economic life, for developing new export opportunities, and for encouraging small business development."

Also in support of small business development, the government proposes establishing a small business

bureau. It will provide a "wide range of services," Dame Nita said, including feasibility studies, technical assistance, finance, product development, and skills development. Emphasis will be on export-oriented activities.

In the speech lasting just under an hour, and broadcast live on radio and television, Dame Nita dropped a broad hint of a possible increase in taxes shortly to help the government reduce a spiralling budget deficit. "My government has on more than one occasion enunciated the principle that current expenditure should normally be met from current revenue," she said. "My government will therefore in due course adopt measures to reduce the fiscal deficit."

The budget for the 1991-92 fiscal year is expected within three months, and speculation is rife that tax increases will be imposed to curb the deficit, which shot up from Bds 26 million dollars (one Bds dollar = 50 cents U.S.) in 1989, to 259 million dollars last year, amid a decline in revenue. Dame Nita promised a review of the tax system during the new session of Parliament and a programme of fiscal reform.

She also announced plans to revitalize the industrial credit fund to expand loans to the productive sectors, including tourism, manufacturing, agro- industries, and fishing. Monetary policy, she said, will be geared "to support the most rapid rate of expansion in the productive sectors, particularly those which are export-oriented."

The government, which saw a worsening of its external position in the past year, has been emphasizing exports to reverse a decline in foreign exchange earnings. Initiatives to be pursued in the area of monetary policy include further liberalization of exchange controls. The government also promised a review of a one-and-a-half-year-old credit squeeze that was introduced to dampen demand for imports, thus conserving foreign exchange. The review is being undertaken to facilitate adequate flows of credit to the productive sectors.

Plans were unveiled for the further development of the offshore financial services sector, identified by the government as having great potential for increasing foreign exchange inflows and generating high quality jobs.

Among other things, Dame Nita said the Sandiford Administration would introduce new legislation governing the operations of International Business Companies (IBCS), introduce new financial services legislation, and give incentives to encourage further diversification of the sector which currently includes mainly offshore banks and captive insurance companies.

In light of current uncertainty in the international oil industry stemming from the Gulf War, Barbados plans to place great emphasis on expanding domestic production through a sustained exploration and drilling programme by the state-owned Barbados National Oil Company (BNOC). In the early 80's, Barbados supplied over 50 percent of its oil needs, but this figure fell as production was cut back when world prices plummeted.

The government's energy policy also calls for increased production and use of natural gas, enery conservation, and encouraging the development of non-oil energy sources such as wind and solar power, Dame Nita said.

Government Favors Efforts To End Gulf War

FL0602220491 Bridgetown CANA in English 2111 GMT 6 Feb 91

[Quotation marks as received]

[Text] Bridgetown, Barbados, Feb 6, CANA—The Barbados Government on Wednesday [6 February] offered to support any international effort to end the Persian Gulf War and restore the sovereignty of Kuwait, which was annexed by neighbouring Iraq last August. The Ministry of Foreign Affairs issued a statement, it said, to "clarify the position of the government on the situation." Said the statement:

"The Government of Barbados is firmly committed to the principles of peace and development, and is deeply saddened by the tragic loss of life and destruction of property caused by the war in the Gulf.

This is a war from which no one can benefit, least of all the non-oil producing countries of the Third World who will undoubtedly bear the brunt of the devastating economic consequences of the conflict. The Government of Barbados will gladly lend its support to any international efforts aimed at ending the war and achieving a peaceful restoration of the sovereignty of Kuwait.

Sovereignty and territorial integrity are fundamental principles of international law governing relations among states. They are particularly vital to small states who must depend on the United Nations to safeguard their security and sovereignty.

It is for this reason that the Government of Barbados has resolutely supported all the resolutions of the United Nations Security Council on the situation between Iraq and Kuwait, and has consistently called for the complete and unconditional withdrawal of Iraqi forces from Kuwait. Even now we urge the Government of Iraq to cooperate in ending the senseless slaughter by giving its unequivocal commitment to withdraw from Kuwait.

Following the withdrawal of Iraqi forces, and the restoration of the sovereignty of Kuwait, the Government of Barbados would be glad to join the vast majority of member states of the United Nations in calling, as a matter of the highest priority and urgency, for an international peace conference to achieve a comprehensive and just settlement of all the outstanding issues in the Middle East, including the Arab-Israeli conflict."

Dispute Delays Sugar Harvest; Good Crop Due

FL0702032691 Bridgetown CANA in English 2013 GMT 6 Feb 91

[Text] Bridgetown, Barbados, Feb 6, CANA—The 1991 Barbados sugar crop officially began Wednesday [6 February], two days later than planned because of a dispute over Sunday night work in factories.

Barbados Sugar Industry Limited (BSIL) services manager, Noel Symmonds, reported the dispute was settled by a producers-union meeting early Tuesday afternoon and that two factories, which had planned to start the crop last Monday, got the go-ahead shortly after the settlement.

The workers, who had objected to doing maintenance in the factories Sunday nights, will now cease work Sunday evenings, and conduct routine cleaning and maintenance mainly on Mondays, Symmonds told CANA.

Although the two factories began accepting canes Wednesday, grinding was not expected to begin until Thursday, as the producers wanted to ensure a large enough supply of canes to allow continuous grinding. Two more factories are expected to commence production next Monday, Symmonds said.

The 1991 sugar crop is targeted to produce 80,000 tons of sugar, about 11,000 tons more than the 1990 production of 69,310 tons, the second lowest since 1971. The lowest production in the period was recorded in 1989, when 66,400 tons was produced.

Many workers from Guyana have been reported entering Barbados in the past week to assist in the harvest. Industry officials say 262 Guyanese were recorded as being involved in harvesting the crop last year.

Cayman Islands

Commissioners Finish Constitutional Review

FL0602141591 Bridgetown CANA in English 1204 GMT 6 Feb 91

[Text] George Town, Grand Cayman, Feb 6, CANA—A team reviewing the Constitution of the Cayman Islands has just ended five weeks of interviews and discussions here. Sir Frederick Smith of Barbados and Walter Wallace, formerly of the British Virgin Islands, will now return to the Foreign and Commonwealth Office in London to prepare their report.

During their stay in the British colony, the men held open discussions with private individuals, civic associations, organised political groups, and members of the Legislative Assembly to hear their views on what changes should be made in the Constitution, adopted in 1972.

Speaking at a meeting of the Cayman Islands Chamber of Commerce, Sir Frederick noted that in 1972, when the population was around 8,000, the Cayman Islands was largely undeveloped.

"Your Constitution has served you well over the past 18 years," he said, "but there has been 'tremendous economic development' since. The Caymans population is now put at approximately 26,000, of which 10,000 are foreign workers, primarily from Jamaica, the United States, and Canada.

"Because of your meteoric development, you have had to bring in a lot of people who will be here for years to come...." Sir Frederick said.

"We've got to find a way to keep Cayman in the hands of Caymanians primarily and at the same time not to give those who have contributed a sense of being second class citizen....

"We have to see if we can keep Cayman in Caymanian hands without creating divisions in the community."

The commissioners said they will consider a recommendation to include a definition of a Caymanian in the Constitution. Under present law, only Caymanians can be elected to the legislature, but Caymanians and Cayman status holders are allowed to vote. Presently, there is no definition of who is a Caymanian, the commissioners noted. Cayman status can be granted by government to a foreigner who has lived and worked in the Cayman Islands for (?ultimately) 3,000 persons in the islands are status holders.

Other recommendations likely to be included in their report will be for a written bill of rights to be added to the Constitution and the creation of the post of chief minister. The Cayman Islands is the only British territory in the Caribbean without that post, Wallace said.

However, Sir Frederick pointed out, he and his colleague are only making recommendations. He said the final report and recommended changes must be first approved by the Foreign and Commonwealth Office in London, then returned to the Cayman Islands for open debate among the people and in the legislature. The legislature will then vote on each recommendation and return the results to London for the formation of a new Constitution.

One idea that will not be included in the report will be the subject of possible independence. Wallace said he had seen no evidence of any movement in that direction during the interviews and discussions. "That's a non-issue," he said.

Dominica

AIDS Committee Chairperson Outlines Priorities

FL0602155591 Bridgetown CANA in English 1311 GMT 6 Feb 91

[Text] Roseau, Dominica, Feb 6, CANA—Newly-appointed chairperson of Dominica's National

AIDS Committee, Dr. Carissa Etienne, says those who think the scare is over and that the disease is no longer a priority are fooling themselves.

"AIDS is very much with us," she told reporters. "We have had 13 cases to date, and we expect the number of cases will continue to rise because we think that transmission is continuing. And I think we are fooling ourselves if we feel that the problem is over—it's very much with us."

She has identified two major priorities in the fight against AIDS (Acquired Immune Deficiency Syndrome).

"First (is) the decentralisation of the AIDS programme," she explained. "That means getting all health workers to accept the AIDS problem as their problem, and to integrate the AIDS control into national health programmes."

Etienne, who is director of primary health care services in Dominica, says the second priority will be to broaden the base for community education.

"We aim to do that through the setting up of a national AIDS army.... where we will infiltrate every institution, every workplace, every youth group, everywhere that people gather.

"And we will enlist soldiers for AIDS. And these people will be our mouthpieces.... and they will be supported by training and dissemination of information," Etienne added.

Etienne has advised that with the carnival season in swing Dominicans guard against the kind of behaviour which can lead to contraction of AIDS.

Haiti

45th Parliament Sworn In, Opening Session Held

FL0602193991 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 5 Feb 91

[Excerpt] The senators and deputies of the new Haitian parliament took the oath of office before the provisional Senate and the provisional Chamber of Deputies yesterday afternoon at the Legislative Palace.

The majority of the senators and deputies was present at the opening session of the 45th legislative period which was presided over by the president-elect, Father Jean-Bertrand Aristide. Also present at the opening session was Port-au-Prince Mayor Evans Paul, a.k.a K-Plum, and the members of the Provisional Electoral Council [CEP]: CEP President Jean-Robert Sabalat, Philippe Jules, Emmanuel Ambroise, Marc-Antoine Noel, and Yva Youance.

The opening session was also attended by the following political leaders: Thomas Desulme, member of the National Party of Labor, PNT; Louis Dejoie, member of the National Agricultural and Industrialist Party, PAIN; and Victor Benoit, of the National Congress of Democratic Movements, Conacom.

After the opening session, Serge Joseph, a provisional senate secretary, thanked those present and the national authorities for their cooperation.

Speaking to the Macoutes, Joseph asked them to put down their guns, to stop the killings, and to stop terrorist actions which undermine the country's prestige. [passage omitted]

Aristide Sworn In

PA0702152791 Mexico City NOTIMEX in Spanish 1441 GMT 7 Feb 91

[Text] Port-au-Prince, 7 Feb (NOTIMEX)—Father Jean-Bertrand Aristide was sworn in today as the constitutional president of Haiti, making him the country's first democratically elected president.

Aristide, 37, was sworn in during a ceremony held at the Legislative Assembly; delegate and envoys from 22 nations attended.

Details of Arrival of Foreign Delegations

FL0602200091 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 5 Feb 91

[Text] The official list from the 7 February Committee does not include the names of the American Government representatives. A press release confirms that Venezuelan President Carlos Andrez Perez will arrive in the country, as well as the Belize prime minister and the Jamaican prime minister. The Holy See will send a prelate of honor. The vice presidents of the Dominican Republic and Panama will also attend. The EEC will send a delegation. The vice presidents of Colombia and of Brazil will arrive this afternoon. The Bolivian consul general and a personal representative of the head of state will also be present.

Also in attendance will be: a Korean Government representative; the Chinese foreign affairs minister; foreign affairs ministers for Honduras, Mexico, and Germany; Salvadoran external affairs minister; Mrs. Monique Landry, representing Canada; the Saint Lucian minister of foreign affairs; and the Secretary of State for Latin American Cooperation, representing Spain.

Further guests include: minister delegate for the French-speaking communities, representing Quebec; Bahamian minister of health; and the Italian vice minister of foreign affairs. The following countries will be represented by their ambassadors: Great Britain, Switzerland, Sweden, Belgium, Portugal, Guatemala, Uruguay, Phillipines, Greece, Costa Rica, Israel, Chile, Denmark, Austria, and the Netherlands.

The OAS secretary general, Joao Baena Suarez, will arrive with a delegation. The Caribbean Community

secretary general is also to attend. The Argentine minister of education will take part in the inaugural ceremony of Jean-Bertrand Aristide.

The list of guests also includes the UN secretary general's personal representative, the governor of Puerto Rico, Ecuadoran ambassador to Washington, and the Egyptian ambassador to Panama. Mrs. Danielle Mitterrand, representing the French Government, arrived last night.

Petition Seeks Ban on Recent Leaders Leaving

FL0702155091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 6 Feb 91

[Text] Three hundred and eighty-one Basic Church Communities [TKL] members sent a petition to Father Aristide in which they said: We, the Port-au-Prince TKL members undersigned, offer congratulations to you for the efforts you have already made and for the efforts you are willing to make so as to change the country. We believe that we will nevertheless succeed in making this change despite the maneuvers of the forces of death which are attempting to intimidate us.

We bring the following to your consideration: Think of all the Haitian money that Jean-Claude [Duvalier] stole; all the other governments that succeeded one another after Jean-Claude are thieves and when they leave they are always replaced by thieves like them. This is the first time the country will have an honest government based on the law. Your government will have to make efforts to take back the people's money which Jean-Claude and his thieves took, as you said in the conference you held on 1 February. Also consider the large mess Mrs. Trouillot and her ministers have created with the public funds and the state administered properties despite the State Council's warning to her. We have heard that Mrs. Trouillot and several of her ministers will leave [the country] on 9 February without providing any explanations on how they handed the public funds over to you. We urge you to do all you can so that Mrs. Trouillot as well as her ministers and all other government officials will be banned from leaving the country without giving the people an explanation of their management.

We believe in you, Titide [Father Aristide's nickname]. You can trust in us to set up barriers so that no plunderer leaves the country with a pile of money that they are going to enjoy abroad while we have nothing to eat here.

'Terrorism' in Limbe Leaves Seven Dead; Homeless

FL0702010491 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 4 Feb 91

[Report by correspondent in Limbe, 2 February—recorded]

[Excerpts] [Passage omitted] The community of Limbe, as well as surrounding localities, suffered sporadic terrorist attacks in which seven people died. Presantel, a voodoo priest who lives in Durisi [as heard], a rural section of Limbe, in complicity with his child, killed Toutou Joseph, who lived in the lower part of La Riviere, another rural section of Limbe. To avenge their neighbor's death, citizens of La Riviere invaded Durisi. Damages were significant: all 21 houses were burned and the livestock slaughtered. [passage omitted]

The surviving residents of Durisi are now homeless, without clothing or personal belongings, begging neighbours for a place to sleep. Their livestock have been killed; they sleep under trees. At night some sleep in state premises.

The wind of terrorism also blew Sunday in the fifth section of Limbe where two people, Desius Premice and Ajax Francois, died under mysterious circumstances.

Three people were reported dead in the lower part of Limbe, victims of terrorism. The situation is still very tense.

Correction to Council Requests Delay in Publishing

FL0602021191

The following correction pertains to the item headlined "Council Requests Delay in Publishing Decrees," published in the 4 February Latin America DAILY REPORT, pages 11-12:

Page 11, column two, penultimate paragraph, first sentence, make read: [Text] We are very surprised to learn that... (replacing incorrect word)

St. Maarten

Island Prepares for Elections on 12 Apr

FL0602143091 Bridgetown CANA in English 1246 GMT 6 Feb 91

[Text] Philipsburg, St. Maarten, Feb 6, CANA—As St. Maarten gears for an April 12 island council election, the opposition People's Progressive Party (PPP) has teamed up with independent politician Alfonso Brooks to form the Antillean National Movement (ANM). Brooks, ANM's political leader, said the decision to form the movement "is based on an assessment that there are no announced candidates from the other parties who are truly for the people of St. Maarten."

President of the disbanded PPP, Leopold Hughes, said the name was changed as a result of reorganisation "which will enable the party to conduct a more effective and efficient campaign." Hughes is president of the ANM.

The other parties contesting the St. Maarten island elections are the ruling Democratic Party, the parliamentary opposition St. Maarten Patriotic Alliance (SPA), the National Reformation Party (NRP), the People's Electoral Movement (PEM), and the People's Democratic Party (PDP).

The Democratic Party controls seven of the nine seats in the island council. The SPA holds the others.

St. Vincent and the Grenadines

Government Sends Delegation to CET Meeting

FL0602223491 Bridgetown CANA in English 2114 GMT 6 Feb 91

[Text] Kingstown, St. Vincent, Feb 6, CANA—St. Vincent and the Grenadines on Wednesday [6 February] sent a three-member delegation to the Caribbean Community (Caricom) Council of Ministers meeting, which begins in Guyana on Thursday.

Parliamentary secretary in the Ministry of Trade and Tourism, Johnathan Peters, is heading the team which includes the assistant secretary in the Ministry of Finance, Thelbert Samuel, and comptroller of customs and excise, Brenton Bailey.

Thursday's Council meeting is expected to give priority to resolving problems surrounding the implementation of the Caricom Common External Tariff [CET] and rules of origin. The CET was to have gone into effect on January 1, 1991.

Only Trinidad and Tobago has so far implemented the measures which seek to give protection to regionally-manufactured goods.

Parliamentary Approval Sought

FL0702022191 Bridgetown CANA in English 2118 GMT 6 Feb 91

[Text] Kingstown, St. Vincent, Feb 6, CANA—St. Vincent and the Grenadines is to implement the Caribbean Community (Caricom) Common External Tariff (CET) by the middle of February, trade and tourism minister Herbert Young said.

"We are going to Parliament on the 14th of this month to get Parliamentary approval, and we would be ready just after that," the minister told CANA [Caribbean News Agency].

Caricom member states had agreed to a January 1 implementation date for the CET and rules of origin, which seek to offer Caribbean manufactured goods additional protection from third country imports, but only Trinidad and Tobago has gone ahead with the measures. St. Vincent Prime Minister James Mitchell, in presenting his 1991 budget last December, said some structures still had to be put in place, which would delay the implementation of the CET until early February.

Minister Young told CANA that there would be price reductions on some items, and only marginal increases would be effected. He gave no details, but said this would be done in such a way that consumers would be cushioned from the impact. He also expressed hope that Thursday's meeting of the Caricom Council of Ministers would sort out the remaining uncertainties surrounding the implementation of the CET.

El Salvador

Catholic Legal Office Claims Evidence on Massacre

PA0602152591 San Salvador Radio Cadena Horizonte in Spanish 1800 GMT 5 Feb 91

[Text] Maria Julia Hernandez, director of the Legal Assistance Office of the Archbishopric, has informed the media about the legal grounds on which the Catholic Church bases itself in accusing members of the 1st Brigade of being those who killed 15 peasants in El Zapote Canton, Ayutuxtepeque.

The director told the media why the church has affirmed that the 1st Infantry Brigade is responsible for the massacre in El Zapote where eight women and seven men were murdered, most of them with knives.

Maria Julia Hernandez said that one of the most conclusive pieces of evidence was the unexpected arrival of 1st Brigade soldiers at the site of the crime without their presence having been requested.

Ms. Hernandez also stated that when the assassins fled, they took a route that guerrillas would not have used. Besides, when the military unit arrived, it was coming from the direction of the local Lempa River Hydroelectric Executive Commission plant, which is guarded by 1st Infantry Brigade soldiers.

As the Legal Assistance Office sees it, vengeance by some member of the village can be discarded as a motive for the attack because none of the families involved has enough money or influence to hire a group as large as the group of assassins or as well-armed.

[Begin Hernandez recording] Children in the area were called to look at their parents' dead bodies. When we were examining the bodies, the 1st Brigade coincidentally arrived. Everyone is wondering how the 1st Brigade had learned of the massacre, since they had absolutely no way of knowing anything about it. They arrived, not exactly to investigate, but to take positions in the area and to move about the place. They already had their orders. Had they gone to investigate, they would have sent someone back to report what they had found, but no, they arrived there with orders to scatter themselves about and to stay in place, waiting, as if they knew everything. [end recording]

Maria Julia Hernandez has indicated that the El Zapote massacre is evidence of the impunity with which the Armed Forces operate, an Armed Forces that does not concern itself with investigating and punishing its members, as happened with the killers of the victims in La Puerta del Diablo two years ago. The 1st Brigade was also responsible for that crime.

Ms. Hernandez said that this past Sunday she met with the guerrillas accused in the deaths of the U.S. advisers. The meeting took place in Perquin, Morazan. The two arrested men, alias Porfirio and Dominguez, admitted that they were responsible and that they accept the Farabundo Marti National Liberation Front [FMLN] judging them for having violated humanitarian treaties.

[Begin Hernandez recording] These two FMLN fighters have plainly admitted that they committed an error by having [words indistinct] executed them. They admit that this is established in international law, that although those were their intentions, they would not have done it. [sentence as heard] They agree to being subjected to an FMLN ruling and trial. [end recording]

Ms. Hernandez noted that the rebels explained that in view of the fact that there was no way to get the advisers out, they decided to kill them to stop their suffering. Ms. Hernandez said that the rebels are planning the trial and that her visit was related to those preparations.

Guatemala

Guerrillas Deny Responsibility for Serrano Attack

PA0602220791 Panama City ACAN in Spanish 1921 GMT 6 Feb 91

[Text] Guatemala, 6 Feb (ACAN-EFE)—The Guatemalan guerrillas denied today that they attacked President Jorge Serrano on 30 January in the northern Peten Department as he flew over the area in a helicopter with three ministers. They called the incident "strange" and "suspicious."

During a call from Mexico, the CERIGUA news agency, mouthpiece for the guerrillas, notified the "Guatemala Flash" radio newscast that the attack was against three "Bell Ranger" helicopters that flew over an armed operations area.

The Guatemalan National Revolutionary Unity (URNG) added that the Army constantly uses these aircraft to shoot and launch rockets against its forces.

Serrano blamed the URNG for the attack. He and his defense, agriculture, and communications ministers were not harmed.

Stressing that the location of the attack is an operations area for the Army, as well as the guerrillas, the URNG said: "Thus, it seems very strange and even suspicious that the president was taken there without the necessary protection."

The URNG stated that the former chief of the G-2 (Army Intelligence) and of Military Base No. 23, Colonel Francisco Ortega, who knew of the operations, was traveling with the presidential commission.

The guerrillas stated their political will to search for a solution to the internal armed conflict through dialogue, and said that they "have never ordered an attempt against the Guatemalan president."

Propaganda Bomb Near Presidency Said Defused

PA0602182891 Panama City ACAN in Spanish 1628 GMT 6 Feb 91

[Text] Guatemala City, 6 Feb (ACAN-EFE)—The Guatemalan police have defused a bomb near the presidential palace, while the Army reported today the death of two rebels and one soldier during clashes in the northern part of the country.

According to reports, last night the police defused a bomb set to disperse rebel propaganda that had been placed in a building out of which the private radio station Emperador operates, near the presidential palace in downtown Guatemala City.

The explosive device was positioned by Guatemalan National Revolutionary Unity (URNG) members to commemorate their eighth anniversary, according to the authorities.

Since 1983, the URNG has consisted of the Poor People's Guerrilla Army (EGP), the Revolutionary Organization of the People in Arms (ORPA), the Rebel Armed Forces (FAR), and the Guatemalan Labor Party (PGT).

Meanwhile, military sources have reported that two rebels and one soldier have died in clashes waged in the northern department of Peten.

The report states that military patrols have dismantled a rebel camp in San Luis, Peten Department. Two rebels, who had left their weapons behind when fleeing, were killed.

The sources add that in La Laguna, Libertad Municipality, Peten Department, the Army had another encounter with the rebels, during which the soldier Marvin Olive was killed.

Nicaragua

FMLN's Letter to President Chamorro Published

PA0602175291 Managua LA PRENSA in Spanish 4 Feb 91 p 7

[Letter to President Violeta de Chamorro from the General Command of the Salvadoran Farabundo Marti National Liberation Front (FMLN) on 2 February]

[Text] Madam President:

We address you to advise you of the FMLN General Command's decision to return to the Nicaraguan Government 17 missiles which, together with the 11 that were used, total 28 missiles. That decision resolves the incident in a political way.

Those missiles will be delivered to the Nicaraguan Government in Nicaragua and El Salvador. We have asked the Mexican Government to witness this action.

We would like to take advantage of this valuable opportunity to briefly present to you our political plan for a peaceful and democratic resolution of the Salvadoran war, since it is in our mutual interest to achieve economic and political stability in Central America in 1991.

The FMLN promotes negotiations toward achieving a cease-fire in 1991 that will make it possible to end the war, thus creating the democratic conditions amid which the civilian movement can have hegemony over the nation's social, economic, and political life.

Toward that end, the FMLN not only supports negotiations, but also a political and economic agreement with the influential business sector and all other sectors.

Within that framework, undoubtedly the United States plays an important role in finding a solution for the conflict, for which we propose direct dialogue and a realistic, dignified, and sovereign accord.

We are deeply convinced that this policy has already yielded results that can lead to a favorable political outcome of the negotiations and to a process of democratic opening in El Salvador in 1991.

We are interested in promoting democracy with economic development in El Salvador and Central America. We cannot separate both concepts from the demilitarization process in Central America.

Madam President, we are convinced that the Nicaraguan Government you preside over can contribute toward the peace process through efforts to find a negotiated solution in El Salvador.

The FMLN commits itself to keeping your government informed of our political-diplomatic activities.

Respectfully,

Eduardo Sancho

Member of the FMLN General Command

List of dates and places where missiles were fired:

1. 20 November 1990, two missiles were fired in Las Vueltas, Chalatenango Department.

2. 21 November 1990, one missile was fired in Canton Joya Ancha, Usulutan Department.

3. 21 November 1990, one missile was fired in Pueblo Viejo, Chilanga Jurisdiction, Morazan Department.

4. 24 November 1990, two missiles were fired in the Santa Elena area, Usulutan Department.

5. 28 November 1990, two missiles were fired in Cerro Guazapa.

6. 4 December 1990, two missiles were fired in La Laguna, Chalatenango Department.

7. 31 December 1990, one missile was fired in Perquin, Morazan Department.

Presidency Communique

PA0602185391 Managua LA PRENSA in Spanish 4 Feb 91 p 7

[Communique issued by the Information and Press Directorate of the Presidency in Managua—dated 3 February]

[Text] The Government of the Republic of Nicaragua reports the following to the Nicaraguan people and the international community:

1. On 2 February 1991, El Salvador's Farabundo Marti National Liberation Front (FMLN), returned to the Nicaraguan Government 17 C-2M and C-3M (SAM-7 and SAM-14) portable antiaircraft missiles. Nine of those were delivered during ceremonies held in Perquin and Las Marias, in the Republic of El Salvador, and the other eight were turned over at the Mexican Embassy in Managua. The missiles were part of the shipment of 28 missiles that were surreptitiously taken from warehouse of the Sandinist People's Army (EPS) late last year.

2. In documents sent to Nicaraguan President Violeta Barrios de Chamorro on 2 February by the FMLN's General Command, the Salvadoran guerrillas state that 11 of the 28 missiles taken from the Nicaraguan Army were used in various military operations in El Salvador during the last two months of 1990.

3. The fate of the 28 missiles taken from the EPS is hereby definitely clarified and, therefore, the Nicaraguan Government's strict compliance with the Central American peace agreements is demonstrated once again.

The Nicaraguan Government thanks the Mexican Government for its friendly certification of yesterday's deliveries and confirms its belief that such dialogue and political resolution as characterized the process followed to resolve this incident would help to find a final resolution for the long and painful conflict in the sister Republic of El Salvador.

Managua, 3 February 1991
Information and Press Directorate of the Presidency.
Attached: 1. Letter from the FMLN to the Nicaraguan president.
2. List of the used missiles.
3. Record of the deliveries of the missiles in El Salvador and Nicaragua.

Commander Wheelock Elaborates

PA0602163591 Managua Radio Sandino in Spanish 1231 GMT 4 Feb 91

[Report by Jose Esteban Quezada]

[Text] Yesterday, I talked with Lieutenant Colonel Ricardo Wheelock, chief of intelligence of the Sandinist People's Army [EPS], who had just returned from El Salvador with other government officials, including Deputy Government Minister Jose Pale, after recovering nine surface-to-air missiles [SAM's] from the FMLN. Heeding government appeals and demands, the FMLN [Farabundo Marti National Liberation Front] agreed to return 17 of the 28 missiles that three captains and 12 civilians had taken from the EPS arsenal in October.

Some of the SAM's have been returned to the EPS arsenal. This is what Wheelock said upon returning with the SAM's and the rest of the government commission at the Augusto Cesar Sandino Airport in Managua yesterday.

[Begin recording] [Wheelock] The Nicaraguan Government has profited from this return because its credibility was confirmed when it said no transfer of this technology had taken place to any country, organization, or person. The FMLN also profited because its credibility and political status were enhanced. [passage indistinct]

[Gamero] Has it been determined that all SAM's taken to El Salvador have been returned to the EPS arsenal?

[Wheelock] That is correct. Now I would like to tell about my trip to El Salvador. After the FMLN leaders delivered the missiles, the leaders told the journalists present that they still retained their antiaircraft capability. In Perquin, we saw members of the FMLN carrying Red-Eye missiles they had acquired, I do not know where. They say they have every right to defend themselves.

[Gamero] Are they Soviet-made or U.S.-made?

[Wheelock] They are U.S.-made.

[Gamero] Could those missiles be of the type the contras used against EPS helicopters? Or can devices of another type be acquired on the international market?

[Wheelock] Could be, but we would have to ask them. In addition, the trip was very fruitful. Our relations with El Salvador are now better. The Salvadoran Government has confirmed the Nicaraguan Government's desire for peace. We believe that this will help the negotiating process with the Salvadoran Government. [end recording]

Soldiers Who Sold Missiles To Be Sentenced

PA0702020291 Managua Radio Corporacion in Spanish 2328 GMT 6 Feb 91

[Text] Military sources have reported that Captain Odel Ortega and other members of the Sandinist People's Army [EPS] who were involved in the sale of missiles to the Salvadoran guerrillas will be sentenced tomorrow. Military Judge Major Dennis Moncada Colindres will be announcing a verdict confirming a five-year prison sentence. The Nicaraguan soldiers received a mild sentence because the Salvadoran rebels have returned the missiles to the Nicaraguann Government through the Mexican Government.

The fact that some missiles have been returned from within Nicaragua proves that these weapons were being hidden in safe houses in this country.

The Nicaraguan military secured the return of the missiles after the Salvadoran guerrillas were told that if the missiles were not returned, all Salvadoran citizens living in Nicaragua would be deported.

On several occasions, the Salvadoran Government has charged that Salvadorans nationalized as Nicaraguans are actually guerrilla fighters who come to rest in Nicaragua after spending several months in the mountains of El Salvador.

Self-styled revolutionary organizations, meanwhile, will protest over the sentencing of the EPS members who sold missiles to the Salvadoran guerrillas.

Ministry Announces Out-of-Court U.S. Settlement

PA0702004991 Managua Radio Corporacion in Spanish 2300 GMT 5 Feb 91

[Text] The Nicaraguan Foreign Ministry has issued a communique announcing that the Nicaraguan Government will reach an out-of-court settlement with the U.S. Government regarding the International Court of Justice [ICJ] ruling.

This information has been made public in view of an EL NUEVO DIARIO report believed to be completely false. According to that report, Presidency Minister Antonio Lacayo is going to request economic aid in exchange for withdrawing the suit filed at the ICJ in The Hague.

When Antonio Lacayo meets with important U.S. Government officials, they will discuss the ICJ ruling. The Nicaraguan Foreign Ministry reports in advance that Nicaragua will seek an out-of-court settlement, but it will not promise to withdraw the suit in exchange for more economic aid.

The out-of-court settlement will be made known to the Nicaraguan people and will not be negotiated secretly.

President Amends Decree on Radio Frequencies

PA0602141191 Managua Radio Corporacion in Spanish 2300 GMT 5 Feb 91

[Decree issued by President Violeta Chamorro in Managua on 5 February]

[Text] The Nicaraguan president, in full excercise of her authority, decrees:

Article 1: Article 28 of Presidential Decree 55-90 of 30 October 1990 on the use of radio-electronic frequencies is hereby amended. The article must now read: Article 28: According to Chapter 3 of the decree, violations of the provisions of this decree may result in the annulment, expiration, or revocation of the respective permit or license, as the case dictates. Such action is without effect on other legal responsibilities that stem from the violation committed, according to existing laws.

Article 2: Paragraph A of Article 29 and Articles 31 and 33 of the aforementioned decree are repealed. The remaining paragraphs and articles of the Decree 55-90 will retain all validity and legal force.

Article 3: This decree shall go into effect as soon as it appears in the media, notwithstanding its publication in the official newspaper La Gazeta.

Issued in the presidential palace in Managua on 5 February 1991.
Violeta Barrios de Chamorro, president of the Republic of Nicaragua.

Telcor Director Comments

PA0602135291 Managua Radio Corporacion in Spanish 2300 GMT 5 Feb 91

[Interview with Pablo Vigil, director of the Nicaraguan Telecommunications and Postal Services Institute, Telcor, by unidentified reporters in Managua; date not given; recorded—broadcast in progress]

[Text] [Vigil] ...Radio-electronic frequencies are a resource that all governments must manage. Some regulatory aspects are very technical, but other types of control are usually introduced in the regulations, as well. This is done in most countries of the world, including Costa Rica. In this case, however, President Chamorro has decided to eliminate the three articles that most of the media have opposed because they had the air of a media law. She did not want anyone to have the slightest doubt about the decree and did not want it to be interpreted as a media law. The president, with a great democratic spirit, decided that it was not worthwhile to maintain articles that could be considered ambiguous or contradictory. We believe, however, that the decree's articles will serve to regulate the use of the radio-electronic frequencies, especially in technical areas, which is what Telcor manages.

[Reporter] [Question indistinct]?

[Vigil] This was the article that caused all this commotion. Curiously enough, no one mentioned it throughout this entire incident. Supposedly, it was as harmful then as it is said to be now. Not until now has this controversy arisen, however. We are very happy because sectors that did not say anything at the time are currently leading the journalists' struggle, which means a 180-degree turn in their stand. This is excellent. We feel that the incident has proven that the democratic process is becoming stronger in Nicaragua.

[Reporter] It is said that the author of this crime [crimen] is (Fernando Zelaya Robles)?

[Vigil] What crime?

[Reporter] The criminal law [words indistinct].

[Vigil] I do not know this. As I told you earlier, Article 33 has been in effect since 1982. Commander Enrique Smith, may he rest in peace, was the first [words indistinct] the law that regulated the use of radio-electronic frequencies. At that time no one said anything. That law contained even more regulations. I invite you to read it. It has a series of things....

[Reporter, interrupting] Mr. Vigil, some people say that monopolies could be established in sectors where [words indistinct] cable television. I mean that the businessman who is able to control a certain area in Managua, for example, could impose the prices he wants. Is this possible with the regulating law?

[Vigil] No. We have open bidding for the concession for the city of Managua. We have already given out general licenses to the firms we consider to have the technical and economic capacity to satisfactorily provide this service. Currently, there are five companies that have our authorization to install cable in the city of Managua.

Panama

Endara Says Separation of Powers Necessary

PA0602163391 Panama City Circuito RPC Television in Spanish 1730 GMT 5 Feb 91

[Interview with Guillermo Endara by an unidentified reporter on 5 February; place not given—recorded]

[Text] [Endara] Power is very, very tempting. He who has power is always tempted to obtain more and more power.

One of the commitments I have with the people—and that is why I must limit myself when exercising power—is to exercise power in a democratic manner. This means that I must limit the use of power to constitutional and legal norms, and to the rights of all citizens. I must also limit myself with respect separation of powers. There cannot be democracy without a separation of powers.

I cannot take on legislative powers, even though at some particular time I might be tempted to do it. I cannot do it....

[Reporter, interrupting] However, during the recent elections the high rate of abstentions conveyed a message. What is the work plan or is there going to be...?

[Endara, interrupting] We will continue with our work plan on behalf of the Panamanian people. With respect to the messages of the elections, it is mere theory which I sincerely do not share completely, but it is worth heeding. I believe the government is continuously strengthening itself to exercise its duty on behalf of the people, and we will be doing it constantly.

Foreign Trade Official Reports on Export Trade

PA0702005091 Panama City LA ESTRELLA DE PANAMA in Spanish 3 Feb 91 p A-1

[Text] Joaquin F. Franco III, executive director of the Panamanian Foreign Trade Institute, has reported that the Republic of Panama exported 28,471,897 Balboas to the Central American region in 1990. These exports were made under the bilateral free trade and preferential commercial exchange agreements that were signed with Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

The items that Panama exported in larger quantities to Central America were: medicines, food, tomato byproducts, evaporated and condensed milk, and others.

Costa Rica heads the list of importers with $19,838,974.59, followed by El Salvador with $4,129,051.63; Guatemala, $2,964,242.40; Honduras, $1,386,016.81, and Nicaragua, which only imported $103,049.24.

Those exports were authorized by the Panamanian Foreign Trade Institute (IPCE).

According to Franco, a total of 1,093 forms were issued.

Administrator Rejects Charges of Canal Deficiency

PA0602163191 Panama City EL PANAMA AMERICA in Spanish 5 Feb 91 pp 1, 8A

[Letter from Panama Canal Commission, PCC, Administrator Gilberto Guardia to Max Frankel, editor of THE NEW YORK TIMES—no date given]

[Text] Dear Mr. Frankel:

I have read with great interest and concern, your article, "Shippers Concerned Over Panama Canal," by Clifford Krauss, published in THE NEW YORK TIMES International edition on 22 January. Mr. Krauss' article, in my opinion, is extremely misleading, because it focuses on isolated negative statements made by a few individuals. I believe that the article is unfair toward the Panama Canal organization, as well as toward the committed employees who have maintained efficient operation of the waterway for many years.

Mr. Krauss' allegations that the canal is deteriorating and does not operate efficiently due to lack of maintenance are particularly disturbing. The article does not mention any Panama Canal employee responsible for its maintenance and improvements. It is obvious that Mr. Krauss did not speak to any of the hundreds of engineers, managers, or specialized craftsmen who are fully aware that the key to successful operation of the canal lies in its maintenance. These people are fittingly proud of the work that is being carried out here, 24 hours per day, 365 days per year.

Before and since I was appointed the first PCC administrator, I have had numerous opportunities to inspect a

majority of the waterway's operating sites, including important sections of the canal locks system, transit support groups, and fully equipped maintenance workshops. Based on my observations and on discussions with key managers and others who participate directly in canal operations and maintenance, I can state, without doubt, that the waterway is in excellent condition, and that it offers outstanding, high-quality service to our customers. This high level of performance continues to be the Panama Canal administration's top priority.

Every year we invest over $100 million directly into canal maintenance and improvements. In recent years, well-established and well-known canal programs have been optimized. A few examples are the development of a new computerized administration maintenance system; the purchase of modern tugboats, speedboats, and locomotives; the installation of improved security systems at all lock sites; the widening and deepening of river-bed entrances; the installation of a multi-millon dollar fire system to put out ship fires; and the constant emphasis placed on all the maintenance necessary on the locks structures, as well as all other factors vital to this extremely complex enterprise. Such is the canal.

As part of our efforts to improve our service to the international maritime community, top PCC managers maintain continuous contact with all canal customers world-wide. In November 1990, we held a series of meetings with nearly all the principle canal users from the Far East. The results of these meetings clearly indicate that they are satisfied with the transit service through the canal. Also, the steady communications with our customers continue to reflect positive opinions of the canal's operations.

To conclude, I can assure you and your readers that the thousands of specialized U.S. and Panamanian Panama Canal employees are doing everything necessary to guarantee that the waterway will continue to serve world trade at its traditional level of excellence and well into the next century.

Sincerely,
Gilberto Guardia F., PCC administrator

Cali Cartel Reported Still Operating in Nation

PA0602153091 Panama City EL PANAMA AMERICA in Spanish 4 Feb 91 p 1

[Text] According to a source close to the authorities, the Cali Cartel, headed by Gilberto Rodriguez Orejuela, still controls several front companies in Panama, presumably involved in money laundering activities.

According to the source, during a joint operation in Panama of local and U.S. drug agents, it was possible to identify Colombian national Jesus Garcia Cerna as one of the alleged contacts of Gilberto and Jorge Rodriguez Orejuela in Panama.

Garcia Cerna, who was able to avoid being captured by travelling to his country, had established several corporations, a gasoline station and a liquor store; the last two located on 50th street [in Panama City].

The representative of the Rodriguez Orejuela brothers is one of the primary individuals involved in a case related to 450 kg of cocaine, valued at 13 million balboas, which was to be sent to New York last January.

The Rodriguez Orejuela brothers have maintained companies in Panama since the early 1980's, and they even established the First Interamericas Bank, upon which the government intervened and liquidated in 1984 due to pressure from the U.S. Government.

According to the source, after the fall of the previous regime, the Cali Cartel apparently tried to expand its operations in Panama. However, anti-drug authorities have confiscated large shipments of cocaine and have arrested several cartel members, including Uruguayan national Carlos Gea, who escaped from the Santo Tomas Hospital.

U.S. Intel Officer Said To Interrogate Prisoner

PA0502025491 Panama City EL PERIODICO in Spanish 4 Feb 91 p 1

[Excerpts] A former officer of the toppled Panama Defense Forces [FDP] was obliged to leave his cell to be interrogated by a U.S. Embassy intelligence officer. The authorities at the Attorney General's office have yet to explain the legal grounds for a procedure that violates our national sovereignty.

El Renacer penitentiary sources told EL PERIODICO that on 1 February, former FDP Major Felipe Camargo was forced to go to the penitentiary's guard section to be interrogated by a U.S. intelligence officer. This officer was accompanied by a Judicial Technical Police member whose last name is Munoz.

The information received at this newspaper was that a prisoner whose initials are F.C. was interrogated. This leads us to believe he is Felipe Camargo, a former FDP officer. According to our source, the interrogation was authorized by the director of the penitentiary, Cesar Diaz, who was apparently forced to agree to the interrogation.

EL PERIODICO has attempted to interview Attorney General Rogelio Cruz to ask him about this and other events. However, our efforts have not been successful. These charges are very serious and require an explanation because these actions are illegal and unconstitutional. They hinder our national sovereignty and violate the human rights of the political prisoners. [passage omitted]

We await Attorney General Cruz's explanations on why such unusual practices are being carried out in a sovereign state.

Argentina

Warship To Leave for Gulf in Late Feb

PY0602162691 Buenos Aires TELAM in Spanish 2245 GMT 5 Feb 91

[Text] Buenos Aires, 5 Feb (TELAM)—The chief of the Joint Staff, Admiral Emilio Osses, announced today that the Argentine Navy corvette Rosales will leave for the Persian Gulf in late February and that the naval unit it will replace has not yet been determined.

Adm. Osses made this announcement during a news conference in the Defense Ministry's briefing room. During the conference, he admitted that the delay in the relief of the naval units was due to economic problems caused by a delay in the delivery of funds by the Kuwaiti Government-in-exile. Adm. Osses added: We are only in a position to send one unit to continue the mission of escort and logistical support for the allied naval forces in the area of conflict.

Adm. Osses pointed out that the Almirante Brown and Spiro warships are operating in the Gulf of Oman and Persian Gulf. He noted that although these ships are moving further into the area, the probability that they will be in danger remains very low. Adm. Osses stressed that the Iraqi Navy has been seriously damaged and that Iraq's missiles are almost ineffective against moving targets.

During the conference, Adm. Osses said our country will not incur any expenditures in the Gulf operation and that funds have been received for the ships and Air Force planes (one C-130 and one Boeing 707) involved in the operation.

Adm. Osses pointed out that the corvette Rosales will leave before the end of this month and that another destroyer is ready for a third phase if the authorities authorize it. Adm. Osses confirmed that the C-130 will remain in Italy until its crew is replaced. The airplane has evacuated over 100 people from Saudi Arabia, Israel, and other countries in the region.

Adm. Osses praised the conduct of personnel participating in both the naval and air operations, which are risky because military actions are taking place nearby.

Asked if Argentina was at war, the military chief replied that this word was just being used by the media and noted that the countries have not declared war. Adm. Osses avoided discussing the political instructions issued to the commanders of the ships and airplanes. He reported that thus far, the Almirante Brown and the Spiro have carried out six logistical support missions.

Police Seize Explosives From Warehouse in Neuquen

PY0602234091 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 6 Feb 91

[Text] Police officers in Neuquen men have seized more than 200 kg of explosives from a warehouse for road maintenance equipment.

The police press bureau has confirmed the operation and the seizure of the material. The bureau also reported that there have been no arrests in the case. The explosives were under an arbor, in open view, a few meters from the front door of the warehouse.

Salyut-7 Fragments Fall on Andes Near Chile

PY0702114491 Buenos Aires TELAM in Spanish 0946 GMT 7 Feb 91

[Text] Buenos Aires, 7 Feb (TELAM)—The Salyut-7 Soviet space station reentered the atmosphere today. Fragments of the station fell on the Andean mountain range along the Chilean border early this morning. This information was reported by international news agencies; they also stated that according to a spokesman for the U.S. Air Defense Command in Colorado Springs, the satellite reentered the atmosphere at 0344 GMT (0144 Buenos Aires time).

The 40-ton satellite was scheduled to return to earth without causing any damage and in spite of this, several pieces of the laboratory, which was launched in April 1982, and of Cosmos 1686, which has been connected to the laboratory since September 1985, did not totally disintegrate after entering the atmosphere at 25,000 km per hour.

Upon reentering the atmosphere, Salyut-7 caused a rain of fire that could be seen from towns in Cordoba, Buenos Aires, Mendoza, San Luis, Neuquen, and Chubut Provinces. One of the largest pieces of the satellite was spotted from the control tower of Ezeiza International Airport at around 0200.

National border police personnel stationed at border checkpoints in the Andean mountain range told TELAM that a fireball was seen falling to earth early in the morning. The bright trail of the falling satellite was also seen in the Buenos Aires town of San Pedro, where at least 10 people saw it, according to police. It was also seen in the Patagonia towns of Esquel and Caleta Olivia.

Salyut-7 was the last satellite of its type to be put into orbit. The first one was launched in 1971 and it almost suffered a problem with its electrical system in 1986, but this was prevented by cosmonauts who repaired the equipment. The Mir station was launched in February 1986 and the Salyut-7 was left without its crew. A decision was made to leave the station in orbit and to bring its main pieces back to earth with the Buran space shuttle; however, Salyut-7 was pushed back into the

atmosphere by unforeseen solar activity that heated the atmosphere, altered its orbit, and deactivated the station ahead of schedule.

Economy Minister on Taxation, Public Spending

PY0602232391 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 6 Feb 91

[Text] Economy Minister Domingo Cavallo has said that the task ahead in the field of tax collection and in strict compliance with the tax laws is formidable and titanic. He added that it is an absolute priority for stability, growth, and social justice in Argentina.

The economy minister believes that it is essential to continue to reduce public spending because public administration salaries, those earned by retirees, health workers, and education workers, are meager. He added that this is well known.

Bolivia

Reaction to U.S. Report on Corruption, Rights

PY0602233691 La Paz Radio Fides in Spanish 1100 GMT 6 Feb 91

[Text] The government has adopted seriously contradictory positions regarding the U.S. State Department's official report on corruption in the Bolivian Government and human rights violations in the country.

While government spokesman Mario Rueda Pena has denied the U.S. State Department report, the Bolivian interior under secretary agreed that there are human rights violations in Bolivia.

Paz Zamora Praises Signing of Political Accord

PY0702021091 La Paz Television Boliviana Network in Spanish 0030 GMT 6 Feb 91

[Text] General Hugo Banzer Suarez, president of the Patriotic Agreement and national leader of the Nationalist Democratic Action [ADN]; Oscar Franco, acting chairman of the Movement of the Revolutionary Left [MIR]; and Chamber of Deputies Chairman Fernando Kieffer have reported to the president of the Republic on the agreement signed with opposition parties in Congress today.

[Begin recording] [Banzer] This document is very important. It is related to the commitment made by the presidential candidates—yourself included—at the Apostolic Nunciature one and a half years ago. On that occasion we were not as united as we are now. This is why, after signing this agreement on behalf of my party, my first initiative was to come here to call to your attention to the fact that, with MIR leader Oscar Franco of the new majority faction, we have made a much broader commitment than we promised at the Apostolic Nunciature.

We believe that we have done our best to achieve this political agreement, which we are now handing to you because you are the most important Bolivian citizen and the president of all Bolivians. This is why we wanted you to be the first person to celebrate this event. [applause]

[Paz Zamora] [Words indistinct] General Hugo Banzer Suarez, chairman of the Chamber of Deputies, lawmakers, and presidency minister:

My dear Mr. Hugo Banzer Suarez, I must tell you that I am really proud to receive you at the presidential office, not only as a friend but also as a Bolivian citizen, full of respect for one of Bolivia's main contemporary democratic leaders. You have just informed me of the success of your work in the National Congress. Interpreting the feelings of all Bolivians, I am sure that I can say that, beyond the construction of the democratic institutions, we want to achieve a real democratic coexistence based on the belief that a democratic system is really the best. I had the opportunity to say on a television program not many days ago that our democratic system was lacking a political accord among democratic leaders. I believe that the agreement which has been just reached is an important step by all the political parties represented in Congress.

I was moved to hear you recall our meeting at the Apostolic Nunciature one and a half years ago while attempting to achieve—through a dialogue with the church—solutions to our national problems. On that occasion you stood out in our political scenario for your clear position regarding events taking place in the country at the time and for your generosity toward the needs of our democracy. You continue to be one of the fundamental pillars of our democratic system.

I congratulate you, Mr. Hugo Banzer Suarez, for your part in the agreement achieved today. On the day following the celebration of our General Sucre holiday, I also congratulate Mr. Oscar Franco, the other political leaders, and Presidency Minister Guillermo Fortun on this important achievement in Bolivia's democratic life.

I hope the agreement that was reached today will be consolidated and institutionalized as a superior and civilized way of maintaining the Bolivian democracy proposed by the current government. Congratulations. [applause] [end recording]

Brazil

Technicians Helped Iraq Extend Range of Scuds

PY0602182691 Madrid EFE in English 1818 GMT 6 Feb 91

[Text] Brasilia, Feb 6 (EFE)—Brazilian technicians helped Iraq extend the range of some of its Soviet Scud ballistic missiles so that they could be fired as far as Israel, a Brazilian newspaper reported Wednesday [6 February]. Technicians involved told the daily FOLHA DE SAO PAULO that they had worked on a project between October

1988 and June 1990 to extend the range of the Iraqi Scud-B missile from 270 km to 600 km.

Iraq has fired dozens of modified Scud rockets against Israel and Saudi Arabia killing several people since war broke out out in the Gulf on January 17.

The technicans were employed by a Sao Paulo-based company which had a contract with the Iraqi Armed Forces to design a simulator for the control and guidance of missile and satellite launchers. They said the Iraqis also had U.S., Chinese, British, French, German and Soviet experts working on military projects in Iraq.

Brazil in the past has also supplied the Iraqi Armed Forces with armored vehicles and rocket launchers.

Four Arrested for Murder of Rural Union Leader

PY0602204091 Madrid EFE in English 1806 GMT 6 Feb 91

[Text] Belem, Brazil, Feb 6 (EFE)—Four people have been arrested on suspicion of murdering a rural workers' union president, the latest in a string of killings of people opposed to land grabbing in the Amazon jungle, according to Brazilian press reports Wednesday.

Union leader Expedito Ribeiro de Sousa was gunned down Saturday at Rio Maria, some 1,600 km north of Brasilia. He was the fifth person in the area to be killed in the past year in disputes linked to clearing jungle land for farming.

As happened after the 1988 killing of Chico Mendes, the rubber tappers union leader and noted rainforest preservation campaigner, President Fernando Collor de Mello has received a flood of letters from international environmentalists calling for a clampdown on the killings. But local police said investigations were being hampered because many witnesses feared giving evidence because of possible reprisals.

Parish priest Ricardo Rezende, who has himself been threatened, said that 173 rural workers had been killed in the region since 1980. He blamed landowners who, he said, regularly met in Rio Mario to plan their crimes.

Venezuelan Guard Fires at Prospectors' Plane

PY0602210091 Madrid EFE in Spanish 1659 GMT 6 Feb 91

[Text] Brasilia, 6 Feb (EFE)—Brazilian Foreign Ministry sources said today that Venezuelan National Guard personnel fired at a small Brazilian plane that had entered Venezuelan airspace without authorization near the border between the two countries.

According to a report from the Brazilian Embassy in Caracas, pilot Iran Tabo Farias was wounded on 21 January when Venezuelan soldiers opened fire on his small plane as he was attempting to land at a Venezuelan airfield near the border. The pilot and his four passengers, all of them Brazilian "garimpeiros" (gold prospectors), were held in custody for 10 days.

Illegal gold prospecting by the "garimpeiros" in the border Amazon region, where the Yanomani Indian reservation is located, prompted the Governments of Brazil and Venezuela to negotiate the establishment of border markers in an area which was not demarcated under their 1859 treaty.

Industrial Competitiveness Promotion Program Begun

PY0502142091 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Feb 91 p 13

[Decree creating the Industrial Competitiveness Promotion Program issued by President Fernando Collor in Brasilia; date not given]

[Text] The president of the Republic, exercising the authority vested in him by Article 84, Paragraph II, of the Constitution,

Decrees:

Article 1. The Industrial Competitiveness Promotion Program [Programa de Fomento a Competitividade Industrial] is created for the purpose of:

I. Developing high technology sectors such as the computer, pharmaceutical, biotechnology, precision mechanics, and new material industries;

II. Promoting the restructuring of industrial sectors that can attain international price and quality standards;

III. Offering financial support for the export of products with long manufacturing cycles; and

IV. Channeling resources to finance technological ability in priority sectors.

Article 2. The allocation of resources under this program will be subject to priorities and criteria established in the Industrial Competitiveness Program [Programa de Competitividade Industrial] (PCI).

Article 3. Brazilian private companies formed under Brazilian laws and whose facilities and administration are located in the country can qualify for financing under this program.

Article 4. Financing will be restricted to projects previously approved by the National Bank for Social and Economic Development (BNDES) according to priorities established by the Economy, Finance, and Planning Ministry.

Single paragraph. The Bank of Northeast Brazil (BNB) can issue approvals in cases of projects to be implemented in the northeast region.

Article 5. Resources for financing the program will be obtained through the sale of Economic Development Bonds (TDE).

Article 6. Institutions approved by the Central Bank of Brazil and authorized to issue TDE's will be the program's financial agents.

Article 7. Interest rates on the loans cannot be higher than 12 percent a year plus the reference interest rate.

Article 8. The Economy, Finance, and Planning Ministry is authorized to reduce the interest rates mentioned in the previous article, as well as to determine minimum loan maturity and other financial terms.

Article 9. This decree goes into effect on the date of its publication.

Brasilia, [blank] of [blank] of 1991, 170th year of independence and 103rd year of the Republic.

* BNDES Head on Progress of Privatization

91SM0161A Brasilia CORREIO BRAZILIENSE in Portuguese 23 Dec 90 p 12

[Article by correspondent Mauricio Bacellar]

[Text] Rio de Janeiro—Despite saying that people must not tie the privatization program to the economic outlook for the near future, Eduardo Modiano, president of the BNDES [National Bank for Economic and Social Development] and of the executive committee of the National Denationalization Program, said in an exclusive interview with CORREIO BRAZILIENSE that to talk now about postponing the auctions of state enterprises would be taking a defeatist position. He acknowledged, however, that such a move could be considered at the appropriate time, depending on economic conditions in Brazil.

In principle, the committee is not considering this possibility. First off, Modiano thinks that by the time the first auctions are held, inflation will definitely have been brought under control, and the economy will have corrected its course and will be heading in the right direction, toward development. He argues, however, that potential investors must not think in terms of a single year when deciding to buy a state enterprise; in his view, such a purchase is a long-term deal that requires a projection over a ten-year horizon.

Cruzados

The president of the executive committee is certain that the "basket" of currencies acceptable for use during the process will be sufficiently varied to compensate for the decapitalization of the nation's business community and to pique its interest, as well as that of other potential investors, in the program. These currencies include $3 billion in new cruzados being retained at the Central Bank (Bacen), $50 billion in overdue foreign debt instruments and interest payments deposited at Bacen (Deposit Facility Agreement—DFA), plus another $20 billion in state enterprise debt that has been converted into medium- and long-term securities. This means there is $109 billion in different means of payment that could be used, besides cruzeiros, to purchase the 20 state companies that will be auctioned off by 1992 and have a total net worth of nearly $18 billion.

Modiano says he has information from private banks to the effect that 20 percent of the total balance of new cruzados, equivalent to $7.2 billion, would be channeled into the auctions of the state enterprises even if no campaign was launched to advertise the privatization program. This figure is approximately equal to the net worth of state companies that the government will auction off during the coming year.

Modiano is not afraid that disposing of several companies within a short period of time will depress sale prices. He argues that the companies belong to different sectors or markets and vary in location and size, which gives each a distinct comparative advantage. As an example, he pointed out that: "Tubarao Iron and Steel Company (CST) exports 95 percent of its output and specializes in non-flat steels. At Usiminas [Minas Gerais Iron and Steel Mills, Inc.], however, 60 percent of the production consists of flat steel for the domestic market. Both are steel companies, but differ in size and specialty, and serve differentmarkets."

Candidates for Privatization

1. Minas Girais Iron and Steel Mills, Inc. (USIMINAS)
2. Usiminas Mecanica S.A.
3. Tubarao Steel Company (CST)
4. Acos Finos Piratini
5. Northeast Iron and Steel Mills (COSINOR)
6. MAFERSA, S.A. [Railroad Materials Factory, Inc.]
7. Petrochemical Company of the South (COPESUL)
8. Carbochemical Industry of Santa Catarina (ICC)
9. Goias Fertilizer Corporation (GOIASFERTIL)
10. Mineracao Caraiba Ltda.
11. Amazon Shippling Company, Inc. (ENASA)
12. Servico de Navegacao da Bacia do Prata (SBNP)
13. Companhia de Navegacao do Sao Francisco (FRANAVE)
14. Electromechanical Company (CELMA)
15. PETROFERTIL
16. NITROFERTIL
17. FOSFERIL
18. ULTRAFERTIL
19. PETROQUISA holdings in COPENE:

Second-generation companies at the Triunfo petrochemical complex

Second-generation companies at the Camacari petrochemical complex

Salgema Industrias Quimicas S.A.
Alclor Quimica Alagoas S.A.
Alagoas Industrial Company (CINAL)
Companhia Alcoolquimica Nacional
Petroflex Industria e Comercio S.A.

Nitriflex S.A. Industria e Comercio S.A.
Companhia Nacional de Alcalis (CNA)
Fabrica Carioca de Catalisadores (FCC)
Companhia Pernambucana de Borracha Sintetica (COPERGO)

20.PETROFERTIL holdings in:
Araxa Fertilizantes (ARAFERTIL)
INDAG S.A.

Auctions Start in March

The deepening of the economic recession during the coming months—being forecast by several economists—combined with strict adherence to the tight-money policy could hamper the National Denationalization Program, under which auctions are supposed to start in March, by lowering the prices. In a context of an 8.9 percent drop in productive activity, which resulted in a 4.4 percent drop in GDP this year, the nature of the basket of "spoiled" currencies to be accepted by the government as payment for the state corporations assumes enormous importance as a factor in arousing investor interest in the privatizations, particularly the interest of the business community which, this year, has seen the recession gobble up its profit margins and its liquidity.

The question that arises is whether the executive committee of the Privatization Program should, therefore, delay the process until things get better. Ben Schneider, an American political scientist and professor at Princeton University who has been in Brazil since July researching the privatization program, does not think the auctions should be postponed because, in his view, the prospect of a future flow of investments into the state enterprises, leading to development of the productive sectors of the nation's economy, is more important than obtaining good prices.

He admits, however, that this approach will have an adverse effect from the standpoint of maximizing sale prices, under circumstances in which recession has forced prices of stock sold on the exchanges down to 50 percent of corporate net worth. Schneider points out that the success of the program as a whole rests on the proceeds obtained from the initial auctions of state companies; therefore this situation will have to be handled very skillfully by the government, which does not want to tie the program to the short-term situation. The Princeton professor, who made a study on state enterprises in Brazil in 1984 and is now working under an agreement with CEBRAP [Brazilian Analysis and Planning Center] and the Institute of Public Sector Economics, explains that getting good prices for the first companies will be of vital importance because of its effect on public opinion. In this regard, he supports the government's initiative in conducting a public relations campaign to explain to the public what the program involves and what kind of results it will bring.

Carlos Langoni, former president of the Central Bank and now director of the World Economics Center of the Getulio Vargas Foundation, agrees that it is important to conduct a public relations campaign. In his view, the privatization program needs to be better understood by society at large because, he continues, it represents an opportunity to restructure the country's industry.

Prices Must Be Realistic

Modiano explained that the committee must work out a schedule to prevent "bottlenecks" from artificially depressing the prices of the companies, especially at a time when capital is scarce. He used the image of the government as traffic cop to illustrate his point.

Former Central Bank President Langoni warns that the economic climate will force sales to take place at realistic, not political, prices. In his opinion, the limited volume of capital available will, for example, prevent using replacement cost (how much it would cost to set up a new company) as a reference for evaluating a state enterprise.

Despite these predictions, Langoni does not think that the economic recession makes it impractical to proceed with the privatization program, but it could slow down its implementation. Like Schneider, he places special importance on the use of new cruzados, state enterprise debt, privatization certificates (CPS), and overdue foreign debt instruments deposited with the Central Bank (Deposit Facility Agreement); these add up to $110 billion. This sort of basket of currencies, in Langoni's opinion, will play a vital role in leveraging a program that by 1992 will sell off public assets in the form of 20 state companies, estimated to be worth $18 billion.

Shares

Langoni appears less optimistic about channeling the new cruzados blocked at the Central Bank—which total $36 billion—into the privatization auctions. The stronger the government assurances that it will indeed return that money, he reasons, the less disposed the investor will be to use it to buy shares. "Especially because there will not be much time between the start of the auctions and the date set for the first new cruzado refunds," he added.

But, as regards the use of CPS ($3 billion) and the state enterprise debt ($20 billion), Langoni is very enthusiastic.

* Congress Approves '91 Science, Technology Budget

91SM0161B Sao Paulo GAZETA MERCANTIL in Portuguese 3 Jan 91 p 11

[Article by Sao Paulo correspondent Carlos Fioravanti under standard rubric Technological Policy]

[Text] Congress has approved the science and technology budget for this year: $2.2 billion. This figure, which now goes to the president for signature, represents a 48.4 percent increase over the initial budget appropriation for 1990, when federal government spending in this area represented 0.52 percent of the projected GDP of $292.2

billion—not counting additional funds released during the year. In 1989, the government spent the equivalent of 0.46 percent of a GDP of $303.4 billion.

The funds approved for 1991 do not reflect the amendments submitted to Congress to finance research projects being carried out by various ministries. These will probably not exceed 10 percent of the total figure. The full budget will probably be ready by mid-month, said Adolfo Wandeley Anciaes, coordinator of planning for the Science and Technology Secretariat (SCT), the agency where Brazil's science and technology activities are concentrated.

The amendments to the budget proposal brought an additional $11.5 million to the SCT, giving it $794.2 million, or 35 percent of the total 1991 federal funding for science and technology. In 1990, its share was 34.2 percent of the initial appropriation.

The budget, developed on the basis of the value of the U.S. dollar in May, when $1 was worth 52.23 cruzeiros, is still subject to change. "Supplementary appropriations and devaluations of the currency occur every year," Anciaes points out. With what has already been approved by the Congress, the budget for the Coordination of Advanced Training for Higher-Level Personnel (CAPES), for example, increases by 200 percent; that of the National Commission for Nuclear Energy (CNEN) by 79.2 percent; and that of the Brazilian Agriculture and Livestock Research Enterprise (Embrapa) by 31 percent.

All the military ministries, except Aeronautics, are also expected to get increases. "It is astounding how military spending on objectives that have not been properly studied has increased. For example, the budget for the Army Technology Center's gas-graphite reactor has gone from $15 million to $45 million," said Ennio Candotti, president of the Brazilian Society for the Advancement of Science (SBPC).

According to Candotti, the budget is "far below what is needed," meeting only 20 percent of the demand for research assistance funds to purchase or maintain equipment, and covering only 25 percent of the projects in the National Fund for Scientific and Technological Development (FNDCT), the primary mechanism for financing university research.

"It is absolutely essential that we reequip the laboratories at the universities," Candotti said, noting that requests submitted to the government for modernizing these research centers called for investments of $603 million over the next three years.

Candotti believes that the technological training plan developed by the government, which actually goes into operation starting this year, depends too much on the efficiency of the existing laboratories—since it aims at industry-university integration on technological projects—and to "a certain minimum degree of academic achievement in Brazil," as part of a modern infrastructure in education, services, and health. "Since we do not have these, the government's policy has little chance of success," he stated.

Budget for Science and Technology (Initial 1990/91 Appropriations)

	In millions of US$					
	1990			1991		
Organization/Budgetary Unit	Total	Personnel	OCC*	Total	Personnel	OCC*
Office of the President	705.1	179.1	526.1	1,062.2	259.3	802.9
Science and Technology Secretariat	522.6	118.3	404.4	794.2	143.1	651.1
The Direct Administration	220.1	60.2	159.9	335.8	65.5	270.3
-FNDCT	28.7	0.0	28.7	33.8	0.0	33.8
-Finep [Funding Authority for Studies and Projects]	16.2	0.0	16.2	38.3	0.0	38.3
-PADCT [Program in Support of Scientific and Technological Development]	47.9	0.0	47.9	117.6	0.0	117.6
-High Technology	2.7	0.0	2.7	0.4	0.0	0.4
-INPE[1] [National Institute of Space Research]	56.4	29.9	26.5	60.8	31.2	29.6
-INPA [National Institute for Amazon Region Research][2]	25.1	13.8	11.3	27.2	18.5	8.7
-CTI [Science-Technology Information Center	14.0	4.8	9.2	14.2	5.1	9.2
-INT [National Institute of Technology]	6.2	4.0	2.2	7.2	5.2	2.0
-FAI [expansion not given]	1.9	0.0	1.9	1.5	0.0	1.4
-FUNAT [expansion not given]	0.9	0.0	0.9	0.7	0.0	0.7
-Other	20.0	7.5	12.5	34.1	5.4	28.7

**Budget for Science and Technology
(Initial 1990/91 Appropriations) (Continued)**

	In millions of US$					
	1990			1991		
Organization/Budgetary Unit	Total	Personnel	OCC*	Total	Personnel	OCC*
CNPq [National Council for Scientific and Technological Development/Indirect Administration]	302.5	58.1	244.4	498.4	77.6	380.0
-Development	226.7	0.0	226.7	356.7	0.0	356.7
—Scholarships	198.0	0.0	198.0	331.4	0.0	331.4
—Assistance	23.9	0.0	23.9	22.5	0.0	22.5
—Other	3.9	0.0	3.9	2.8	0.0	2.8
-Execution of Research Projects	34.6	24.6	10.0	39.8	29.9	9.9
-Dissemination of Sci-Tech Information	6.7	5.5	1.2	7.8	6.7	1.2
-Administration/Coordination	20.1	17.7	2.4	41.7	36.2	5.5
-Other	14.5	10.2	4.2	12.3	4.8	7.5
Secretariat of the Environment	-	-	-	4.0	0.0	4.0
Secretariat of Strategic Affairs	48.7	0.0	48.7	46.9	0.0	46.9
Secretariat of Regional Development	-	-	-	2.5	0.0	2.5
Secretariat of Sports	-	-	-	0.2	0.0	0.2
Secretariat of Culture	0.1	0.0	0.1	-	-	-
EMFA [Armed Forces General Staff]	41.4	1.1	40.4	47.3	2.0	45.3
CNEN	83.7	59.7	23.9	150.0	114.2	35.8
SUDAM [Authority for Developing the Amazon Region]	6.5	0.0	6.5	13.7	0.0	13.7
IBAMA [Brazilian Institute of Environment and Renewable Natural Resources	2.0	0.0	2.0	3.2	0.0	3.2
Casa Rui Barbosa Foundation	0.1	0.0	0.1	0.1	0.0	0.1
Ministry of Aeronautics	185.0	0.0	185.0	171.8	0.0	171.8
-Ministry of Aeronautics	185.0	0.0	185.0	169.7	0.0	169.7
-Aeronautics Fund	-	-	-	2.1	0.0	2.1
Ministry of Agriculture and Agrarian Reform	188.2	125.9	62.3	246.0	155.9	90.0
-Ministry of Agriculture/Direct Administration	7.8	3.9	4.0	8.8	2.3	6.7
-EMBRAPA	180.3	122.1	58.3	237.0	153.8	83.3
-DNOCS [National Department of Drought Control]	0.1	0.0	0.1	0.1	0.0	0.1
Ministry of Education	200.7	97.2	108.5	337.3	88.0	249.3
-Ministry of Education/Direct Administration	19.2	0.0	19.2	6.3	0.0	6.3
-IMEP[3] [expansion not given]	2.4	0.9	1.5	6.6	1.8	4.9
-CAPES[4]	70.4	0.7	69.6	211.6	1.0	210.6
-IFES [expansion not given]	108.7	90.5	18.2	112.8	85.2	27.5
Ministry of the Army	17.7	10.4	7.2	46.6	36.4	10.2
-Secretariat of the Economy and Finance	2.3	0.0	2.3	3.1	0.0	3.1
-CETEX [Army Technology Center]	15.4	10.4	4.9	43.5	36.4	7.1
Ministry of the Economy, Finance, and Planning	5.1	1.8	3.3	2.2	0.0	2.2
-Ministry of the Economy, Finance, and Planning/ Direct Administration	2.7	0.0	2.7	-	-	-
-IPEA [Institute for Applied Socioeconomic Research]	2.4	1.8	0.7	2.2	0.0	2.2
Ministry of the Infrastructure	16.2	10.9	5.3	43.8	8.3	25.5

Budget for Science and Technology
(Initial 1990/91 Appropriations) (Continued)

	In millions of US$					
	1990			1991		
Organization/Budgetary Unit	Total	Personnel	OCC*	Total	Personnel	OCC*
-Ministry of the Infrastructure/Direct Administration	2.2	0.0	2.2	1.9	0.0	1.9
-GEIPOT [Executive Group for Study of Transportation Integration Policy	11.6	10.9	0.7	8.0	6.6	1.4
-DNER [National Highway Department]	2.3	0.0	2.3	20.2	0.0	20.2
-CPRM [Mineral Resources Prospecting Company]	-	-	-	13.7	1.7	12.0
Ministry of Justice	22.3	0.0	22.3	22.3	12.5	9.8
-Ministry of Justice/Direct Administration	0.0	0.0	0.0	0.0	0.0	0.0
-INMETRO [National Institute of Metrology, Standardization and Industrial Quality]	22.3	0.0	22.3	22.3	12.5	9.8
Ministry of the Navy	48.4	3.7	44.7	95.8	5.2	90.6
-Secretariat General of the Navy	37.5	3.7	33.7	81.8	5.2	76.6
-SECIRM [expansion not given]	10.9	0.0	10.9	14.0	0.0	14.0
Ministry of Foreign Relations	1.6	0.0	1.6	2.3	0.0	2.3
-Ministry of Foreign Relations/Direct Administration	1.6	0.0	1.6	2.3	0.0	2.3
Ministry of Health	130.8	16.9	113.9	218.1	42.8	175.3
-Ministry of Health/Direct Administration[5]	31.6	0.0	31.6	61.2	0.0	61.2
-CEME[6] [State Surplus Materials Commission]	31.5	0.0	31.5	29.1	0.0	29.1
-FIOCRUZ [Oswaldo Cruz Foundation]	54.8	12.8	42.0	106.7	35.1	71.5
-FSESP [expansion not given]	11.2	3.7	7.5	17.9	6.9	11.0
-FPS [expansion not given]	1.6	0.3	1.2	3.2	0.8	2.4
Ministry of Labor and Social Security	4.8	0.0	4.8	3.5	0.0	3.4
-Ministry of Labor and Social Security/Direct Administration	2.8	0.0	2.8	1.0	0.0	1.0
-FUNDACENTRO [National Foundation Center for Job Safety, Hygiene and Medicine]	2.0	0.0	2.0	2.5	0.0	2.5
Entities Being Abolished	0.0	0.0	0.0	13.9	0.0	13.9
-EBTU [Brazilian Urban Transportation Company]	0.0	0.0	0.0	13.9	0.0	13.9
TOTAL	1,526.4	440.9	1,085.5	2,265.8	608.4	1,657.3

Source: SCT-Depla-Dipla/CNPq-APJ-CODE

Notes:

1. Includes funds for FAE [expansion not given]
2. Includes funds for FAAM [expansion not given]
3. Includes funds for the/INEP [National Institute of Educational Research] Fund
4. Includes resources for the CAPES Fund
5. Includes funds for FNS [National Health Foundation]
6. Includes funds for the CEME Fund

Remarks:

1990: US$1 = 14.29 at January prices - Central Bank

1991: US$1 = 52.23 at average May prices - Central Bank

*OCC = Other current expenses, and capital expenditures

New Policy on Customs Fees Effective on 15 Feb

PY0502154891 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 5 Feb 91

[By Miriam de Oliveira]

[Text] The government plans to adopt a new customs fees policy that will take effect on 15 February. The customs fees reform establishes import tax rates for 13,500 products; these tax rates will be valid until 1994. National Economy Secretary Edgar Pereira has asserted that the new measures will modernize Brazilian industry and make it easier to incorporate the Brazilian economy into the international market.

[Begin Pereira recording] I am certain that the measures being adopted—including those in Collor's readjustment plan announced last week, which ends financial speculation and gives priority to investment in the production sector instead of the speculative sector—will allow us, in the short, medium, and long term, to improve the national industrial and agricultural sectors and make them much more effective in the next few years. [end recording]

Import customs fees will decrease gradually until 1994 and the tax rates for products that are not produced in the country will be zero. There will not be any taxes on orange juice and cement either. Most manufactured products—such as textile products, shoes, and clothes in general—will pay 20-percent tax rates. The items deemed strategic by the government, such as wheat and cars, will pay a 35-percent tax rate. Taxes for the import of informatics and microelectronics products will be 40 percent.

* Measures To Stem Amazon Deforestation Assessed

91WN0222A Sao Paulo VEJA inPortuguese 9 Jan 91 pp 44, 45

[Text] The occupation of the tropical forests of the Amazon region gave the world many sleepless nights and left the impression that the burnings and deforestation in the region were too big and complex a problem for the Brazilians to handle by themselves. Last week, the most recent data transmitted from space by the NOAA-9 satellite, a U.S. electronic observatory that periodically photographs the region, showed that, contrary to what the international crusaders in the ecological battle expected, Brazilians are successfully dealing with the issue. NOAA-9 reported that 25 percent fewer fires occurred in the Amazon region during the July-September period last year than in the same period of 1989. Deforestation has also diminished. A set of 226 photos sent by another American satellite—Landsat—and being processed by INPE, the National Institute of Space Research in Sao Jose dos Campos in the interior of Sao Paulo State, produced additional, and highly encouraging, evidence. The pace of deforestation slowed by about 50 percent last year almost everywhere in the Amazon region.

"We still do not have precise figures," said Tania Munhoz, president of IBAMA—Brazilian Institute of the Environment and Renewable Natural Resources—the federal organ in charge of protecting the region. "But, according to the estimates, about 10,000 sq km of virgin forest was destroyed last year. In 1989, more than double that area—about 21,000 sq km—was destroyed." Because of its dimensions and repercussions, the destruction of the Amazon Region seemed to be an insoluble problem. The world scientific and political community went so far as to suggest, three years ago, that only an intensive international team effort could save the region from disaster. However, the facts presented last week demonstrate that, although it has not been solved, the efforts are at least well underway. Simple, but effective, measures are all that is needed.

Caught in the Act

One of those measures is Operation Amazonia, designed to combat the burnings using a logistical scheme that presupposes perfect coordination between IBAMA and INPE. The partnership has been a model of efficiency. Every day, INPE passes along images from the NOAA-9 satellite that show where fires are occurring. Using that data, IBAMA, aided by helicopters from the Brazilian Air Force and the Federal Police, takes immediate action against those responsible for deforestation and fires. Last year, IBAMA reached an agreement with the nine states that comprise the so-called "legal Amazonia," to gain the use of state police cars and personnel in monitoring the region. In exchange, it agreed to pass on to the states 70 percent of the proceeds of the fines levied against those who start fires, and others who engage in all kinds of other ecologically destructive activity. This tactic enabled IBAMA to put more than 1,000 men on the project, three times the number on its own permanent staff. The army of inspectors made it possible to put $9 million into the institute's coffers, 60 percent more than in the previous year.

In order to be able to find out about sites of illegal deforestation, IBAMA also set up a telephone "hot line" so that the public could call in, collect, to make anonymous reports. People could also complain by mail, with the institute paying the postage. That system led to some remarkable operations. For example, the biggest "raid" in the history of the Amazon Region occurred last September. IBAMA was tipped off by an anonymous letter that 1,800 hectares of native forest were being cleared in Rondonia. The guilty party, rancher Joao Arantes Junior, had to pay the institute the equivalent of 2.5 million cruzeiros in today's money. The fine itself was also a record. Another simple and effective strategy adopted by the institute was to reduce the number of deforestation permits issued; the law authorizes these permits when someone can prove that trees must be cleared for a colonization project. In Para State alone, for example, the number of permits issued fell from 1,150 in 1989 to only 150 last year. With this sort of results, IBAMA may earn the right to be called one of the very few creatures of the Sarney administration that turned out well. "At the time, we were not receiving any significant international assistance, but even so, we accomplished our mission," said Fernando Cesar Mesquita, the "father" of IBAMA and its president during

the Sarney government. Now Globo TV's advisor on ecology, Mesquita conceived the system of heavy fines and implacable inspectors which brought good results.

Brazil Nuts

Two circumstantial factors helped IBAMA last year to deal with the Amazon deforestation. The first of these was the retention of new cruzado deposits under the Collor Plan. "The shortage of money in the economy suppressed investments in general," said Philip Fearnside, an American ecologist who has settled in Brazil. "Lots of business projects involve deforestation." St. Peter provided the second helping hand. "We had quite a rainy winter, and a very mild summer, which was also rainy," says ecologist Camilo Viana of the Society for the Preservation of the Natural Resources of the Amazon Region. There is proof that the reduction in the number of fires is beginning to have concrete benefits. After five years in crisis, last year's Brazil nut crop was a record-high 38,000 tons, 35 percent more than in 1989. In the area known as "Poligono dos Castanhais," one of the zones most affected by fires in previous years, production jumped from 300 tons in 1989 to 10,000 tons last year. One of the explanations for the surge was precisely that—fewer fires. This makes sense. The smoke from the fires drives away the insect that is responsible for pollinating the Brazil-nut trees, so the trees do not produce. "This proves that, in the Amazon Region, the standing forest is more profitable than any other activity," argues Delio Mutran, president of the Association of Brazil Nut Exporters. "The thing is, although many say otherwise, the Amazon Region can be saved."

Chile

Report of German 'Pressure' on Corporation Rejected

PY0702024691 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 6 Feb 91

[Text] Acting Foreign Minister Edmundo Vargas has rejected reports that the legal status of Colonia Dignidad was canceled due to pressure from the German Government. Vargas emphasized that the cancellation was an administrative measure based on an objective evaluation of events related to the violation of Chilean laws on public order and moral principles.

Asked why the government did not resort to the courts, as proposed by Senator Sergio Onofre Jarpa, Vargas said he disagrees with Jarpa's position. He noted that the sector which has the power to cancel a legal statute is the executive branch. He recognized, however, that although the government has that power, an appeal can be made to the courts.

Regarding charges that the government acted under pressure from the German Government, Edmundo Vargas said he did not agree with the term pressure. He said that he could accept that it was a legitimate concern of the German Government because this involves Germans who were allegedly receiving poor treatment from Germans.

Regarding reactions from other countries on the Chilean Government's decision, Vargas said there was worldwide concern not from countries but from human rights organizations. He said this case received international attention and generated a very favorable reaction from human rights organizations which followed the evolution of the Colonia Dignidad case.

* Roundup of Current Legislative Activity

91P40129A

[Editorial Report] Santiago EL MERCURIO in Spanish on 18 January on page C-2 reports that the Senate passed the executive's labor reform bill establishing new legislation regulating labor organizations and collective bargaining. This is the third labor reform bill submitted by the government. Two previous bills dealing with union centrals, termination of labor contracts, and job security have already been passed by the Congress. According to the article, these new measures guarantee voluntary participation in labor organizations and create more representative and autonomous unions by eliminating certain restrictions found in current labor legislation. The legislation extends the right of collective bargaining to temporary workers, broadens the range of negotiable issues, and eliminates the 60-day limit on strikes. It also allows employers to replace workers on the first day of the strike if the employer has previously agreed to peg salaries to the consumer price index [IPC]. If this provision is not included in the contract, the legislation allows the employer to replace workers after 15 days into the strikie. The legislation also proposes the creation of a mediation group made up of workers, employers, and the State, "which will facilitate seeking agreements at the beginning of the conflict." The report states that Labor Minister Rene Cortazar is confident the Chamber of Deputies will pass the legislation with only minor changes.

Santiago EL MERCURIO in Spanish on 10 January on page C-2 reports Justice Minister Francisco Cumplido's announcement that judiciary reform bills will be sent to Congress in March. Minister Cumplido added that the President had already approved the bills and that they had been sent to various judicial organizations for their input before submission to Congress. Cumplido stated that he considers the creation of an independent organ to establish judicial policy, one of the most significant aspects of the proposed legislation. Minister Cumplido also announced that a bill restructuring the Supreme Court would be sent to Congress on the 11th or 14th of January. The bill proposes increasing the number of Supreme Court justices by four and dividing the Court into four specialized tribunals: civil, criminal, military, and labor-tax. Cumplido indicated that these changes were needed for the Court to be able to handle the new reforms.

Santiago EL MERCURIO in Spanish on 10 January on page C-6 reports that the minister of national patrimony and president of the National Committee for the Environment, Luis Alvarado, announced the government's intention to send to Congress an environmental legislative package sometime in the middle of this year which will simplify the myriad of "complicated and often conflicting Chilean environmental laws." During the Second Exhibit of Business Environmental Programs organized by the Center for Environmental Planning and Research (CIPMA), Alvarado said, "We know that Chile's growth will depend on its capacity to export. We are well aware that we must begin to consider environmental problems fundamental to securing the competitiveness of Chilean products on international markets."

Santiago EL MERCURIO in Spanish on 18 January on page C-4 reports that the Senate did not pass the government's constitutional reform bill for the direct election of mayors. Only 23 senators voted in favor out of the 28 necessary for the bill's passage; 19 voted against the bill. The administration announced in an official communique that it will resubmit the bill in March. In a related 19 January article, EL MERCURIO reports that the Chamber of Deputies Constitution, Legislation, and Justice Committee will propose that a joint committee of deputies and senators be formed for negotiating future constitutional reform bills between the two chambers.

Colombia

President Speaks on Assembly, Constitution

PA0602201591 Bogota Domestic Service in Spanish 1742 GMT 6 Feb 91

[Speech by President Cesar Gaviria Trujillo at a ceremony during which he was presented the book *Colombia, 21st Century* by its authors at the Narino Palace in Bogota—live]

[Excerpt] [Passage omitted] Yesterday, our country took another step toward the future. I am referring to the National Constituent Assembly. Following a road of peace, traversing the path of democratic decisions, and demonstrating that civilized controversy is the most effective alternative for change, the Assembly has begun discussing what shall be the course for Colombian democracy in the next century.

Unlike many other constitutions created in Colombia, or elsewhere around the world, the constitution that will be created by the Assembly will not result from a victory of one group over another, but the legitimate expression of a country that wants to create an institutional framework for civilized coexistence, democracy, and the tranquility of its citizens.

The Assembly is a peaceful means of breaking free of the straitjacket that the old institutions have become. The Assembly will also cover, once and for all, the breach between the political country and the national country, between the formal country and the real country.

It is no coincidece that violent individuals multiplied their attacks against civilian and military installations yesterday, leaving a terrible toll. There is no doubt that the FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation] have not understood that the citizens have spoken out against violence in three elections. They voted against the past. The Constituent Assembly and peaceful citizens are the future and violent individuals are the past. They must understand that the offensive they started several months ago, which is intended to undermine the Assembly's power to summon and pacify, is a historical mistake of immeasurable proportions.

We have called them to peace, to show signs of peace. We have called them to dialogue by opening the generosity of the nation and the civilian society, which has already received four guerrilla groups which have been compensated in full for their honesty and openess.

The government reiterates that call today upon receiving the book *Colombia, 21st Century*, but it will not stand with arms crossed while acts of violence take place. You may rest assured that we will act with strength to defend the nation and the citizens. We are optimistic, because the country has an innate force that drives it forward, even during hard times. That force is its people's faith and enthusiasm. Despite the adversities and the intransigence of violent individuals, the country continues to advance, driven by the will of Colombians who are not defeated by adversity and who will firmly continue the construction of a better future. As *Colombia, 21st Century* states, we have everything to be a major country.

Thank you.

Gaviria on Guerrilla Offensive, Journalist Release

PA0702023291 Bogota Inravision Television Cadena 2 in Spanish 0008 GMT 7 Feb 91

[Text] The wave of terror has prompted a response from President Cesar Gaviria Trujillo, who had a meeting to talk about the future; however, journalists, among them Dario Fernando Patino from the "Noticiero de las Siete" newscast, questioned him on current issues, namely the guerrillas and the Extraditables.

President Gaviria received guests at the Narino Palace today. The country's most important chambers of commerce delivered the president a study whose preface was written by former President Alfonso Lopez Michelsen and coordinated by economist Jorge Ramirez Ocampo. The document refers to the options for facing the 21st century, taking into account that by the year 2,025 there will be 24 million more Colombians.

After discussing the outlook for the future, the president returned to the hardships of present times and condemned one of the most violent guerrilla offensives ever

recorded in history. He described these actions as immeasurable historic mistakes.

[Begin recording] [Gaviria] It is deplorable that they have greeted the Constituent Assembly with these actions of terror and savagery. Of course, it is easier for them to carry out terrorist actions than to face the Public Force. [end recording]

The president reiterated his dialogue offer, but gave some warnings.

[Begin recording] [Gaviria, in progress] ...without reducing the presence of the Public Force, the military operations, and the legitimate use of force by the Colombian State.

[Patino] Mr. President, what is your impression of the release of Beatriz Villamizar?

[Gaviria] I hope that that group, which has also launched violent attacks and has engaged in kidnapping and terrorist practices, will understand that what Colombians want are peaceful, democratic, and fair solutions. They should also understand that they ought to release all those kidnapped individuals, because this cannot be an instrument with which to confront the Colombian State or exert pressure on the Constituent Assembly. [end recording]

Rebels Continue Attacks on Oil Pipeline

PA0602175791 Bogota Inravision Television Cadena 2 in Spanish 1744 GMT 5 Feb 91

[Report by Marcos Perales from Barrancabermeja—recorded]

[Text] Attacks on oil pipelines, gas pipelines, and other oil installations have continued throughout the country. A gas pipeline which carries fuel from Apiay to Bogota has been blown up between Caquesas and Chipaque, Cundinamarca Department. Likewise, fierce guerrilla attacks were perpetrated this morning against Ecopetrol [Colombian Petroleum Enterprise] vehicles and work installations, and against the police at the oil port of Barrancabermeja.

Six attacks were perpetrated by the so-called Simon Bolivar National Guerrilla Coordinating Board. A Coopetran [Transportation Cooperative] bus was burned on the road between that port and Bucaramanga. The rebels ordered the passengers and the driver to leave the vehicles and then lectured them on the country's situation.

Several kilometers from where the vehicle was burned, guerrilla forces blew up a control unit for the multiple pipeline that carries fuel from the Barrancabermeja refinery to the Ecopetrol plant in the capital of Santander Department. The area is ablaze and some of the vegetation has been destroyed.

Later, at El Llanito, guerrilla forces blew up a portion of the gas pipeline which carries gas from the Payoa fields, Sabana de Torres, to the Barrancabermeja refinery. The new attack took place a few kilometers from the gas plant, which was also partially destroyed by guerrilla forces.

Also, in an area close to El Rosario neighborhood, where members of the Ecopetrol Board of Directors live, guerrilla forces detonated another device against a pipeline that carries crude oil from El Centro production center to the refinery complex. The losses in these four attacks surpass 150 million [currency not specified].

Simultaneously, police patrols were attacked with weapons and explosives in different urban sectors of the oil port and one noncommissioned officer and four policemen sustained critical wounds.

Government Rejects Rebel Offensive, Proposes Dialogue

PA0602225891 Madrid EFE in Spanish 1655 GMT 6 Feb 91

[Text] Bogota, 6 Feb (EFE)—The Colombian Government today rejected the terrorist offensive unleashed yesterday by the Simon Bolivar National Guerrilla Coordinating Board (CNG) throughout the whole national territory. Nevertheless, the government reiterated its willingness to resume dialogue with the armed rebels.

Government Minister Humberto de la Calle said today that the offensive which resulted in over 40 victims—policemen, soldiers, rebels, and civilians—besides approximately 50 who were wounded, was an act of barbarism. De la Calle also said it was the people of Colombia who suffered the most, not the institutions.

The rebel campaign also targeted the nation's electric power and petroleum infrastructure, which left vast regions without electricity and other areas completely isolated.

De la Calle recalled the government's persistent invitation to engage in a dialogue and underscored that each time these proposals are made the rebels respond with terrorism.

The minister stated that the authorities had accepted "in an almost self-contradictory manner" supervision by international observers. The authorities also agreed to have the Geneva protocols applied to them.

De la Calle claimed that in the last government proposal, Colombian President Cesar Gaviria had agreed to hold direct talks abroad, without intermediaries.

Minister de la Calle said that the Presidential Advisory Board for Peace Issues, and if required, the government minister himself, would be willing to travel anywhere to establish a high-level dialogue. This dialogue would be aimed at finding specific formulas for demobilizing the Colombian rebels.

The CNG is comprised of the communist Revolutionary Armed Forces of Colombia (FARC) and the Marxists

National Liberation Army (ELN), the largest and most radical movements operating in the nation's mountainous regions.

The minister stated that until the terrorist actions cease, the government will have to reinforce its military vigilance. He also disclosed that in the next few days additional security measures will be announced.

De la Calle also questioned the FARC's change of conduct, claiming that from a guerrilla force engaged in the occupation of remote communities, kidnapping, and extortion, it now has decided to unleash its violent attacks against the people and the energy infrastructure.

The minister claims that this change came about after the death of one of the principal FARC leaders, Jacobo Arenas, and its association with the ELN—known for their attacks against oil pipelines and energy towers.

The CNG's leaders justify the offensive as a reprisal for the bombing and military occupation of the FARC's main headquarters in Meta Department, south of Bogota, on 9 December.

According to the minister, that operation's goal was to do away with the rebels' "sanctuary," where they lived in camps apparently invulnerable, "as if in independent republics." The rebels had prevented, up until then, the mandatory presence of public forces.

Rebel Plan To Isolate Bogota Reportedly Uncovered

PA0702024191 Madrid EFE in Spanish 0152 GMT 7 Feb 91

[Text] Bogota, 6 Feb (EFE)—The Colombian autthorities have uncovered a plan by the Simon Bolivar Guerrilla Coordinating Board (CNG) to isolate Bogota from the rest of the country through an offensive of violent actions, Jose Noe Rios, government secretary of the special district, announced today.

The official said that the CNG's "critical points and possible targets were identified," and a special watch has been ordered of "strategic sites," including the airports, bus terminals, embassies, principal hotels, official headquarters, and electricity and telephone plants.

"The purpose is to disrupt transportation, communications, and public services so as to leave the Colombian capital without communications," Rios said, noting that according to investigations by security organizations, the CNG has mobilized groups in three fronts to move in on Bogota.

Also, to "create a prior climate of unrest," the rebel organization has developed "political-military activities" in suburbs of the capital by infiltrating meetings and protest marches of professors, students, and workers.

The CNG, made up of the Revolutionary Armed Forces of Colombia (FARC) and the Army of National Liberation (ELN), has launched an offensive with ambushes of policemen and soldiers, as well as attacks on electricity plants, oil pipelines, vehicles, and oil installations.

The offensive increased over the past weekend with violent actions in eight regions of the country, causing economic losses estimated at $50 million.

The upsurge of violence has coincided with the Constituent Assembly sessions, which were opened by Colombian President Cesar Gaviria on Wednesday and will last for a period of five months.

Defense Minister: Army Will Respond to Guerrillas

PA0702142791 Bogota Radio Cadena Nacional in Spanish 1219 GMT 7 Feb 91

[Text] Bogota—Defense Minister General Oscar Botero Restrepo has said that state security agencies will reply militarily to the escalation of violence unleashed by rebel groups.

Gen. Botero said that the Armed Forces are not idle and will increase their operations throughout the national territory to neutralize the actions of the FARC [Revolutionary Armed Forces of Colombia] and ELN [Army of National Liberation] guerrillas who have responded with violence to the government calls to join civilian life.

Gen. Botero stressed that the government has given FARC and ELN guerrillas all the opportunities to participate actively in the process of changes in the country, however, they have responded with criminal actions.

He added that the FARC has been carried away by the ELN's fanaticism, under the guidance of a foreigner [reference to Priest Manuel Perez] who naturally does not feel the sufferings of our fatherland.

FARC, ELN Propose Topics to Constituent Assembly

PA0602215491 Bogota Inravision Television Cadena 2 in Spanish 1740 GMT 6 Feb 91

[Text] The National Guerrilla Coordinating Board [CNG] has just proposed five topics to be discussed by the Constituent Assembly.

A few minutes ago we learned of a letter addressed to the 73 members of the Constituent Assembly. No mention was made, however, of any plan to reach an understanding with the government, despite the current violent guerrilla offensive.

While the loss of human lives and property as a result of yesterday's attacks and assaults is still being assessed, the CNG, comprised of the FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation], decided to present their political proposal to the Constituent Assembly. They proposed five points in a letter read by Alfonso Cano.

The FARC and the ELN proposed a 10-percent reduction of military expenses in the national budget, the elimination of military conscription, and the appointment of a civilian as defense minister.

As a second point, the CNG proposed establishing a plebiscite and referendum, lifting the state of siege, and electing the attorney general, comptroller general, and governors. They also called for what they described as an effective human rights policy.

The third point referred to an economic policy centered on agrarian and urban reforms.

The fourth point dealt with the handling of our international policy, which according to the FARC and the ELN must be independent. The CNG also demanded the abrogation of the extradition treaty.

In the last point of its letter to the Constituent Assembly, the CNG demanded the incorporation of minority ethnic groups into the country's democratic life.

At no time did the guerrilla leader refer to yesterday's offensive or to possible contacts with the government.

The FARC and the ELN are not participating in the Constituent Assembly because they did not accept President Gaviria's peace plan.

Assembly Gives Voting Rights to Demobilized Rebels

PA0702021491 Hamburg DPA in Spanish 2304 GMT 6 Feb 91

[Excerpt] Bogota, 6 Feb (DPA)—Members of the Colombian Constituent Assembly today approved an article of their internal regulations that authorizes the participation, by voice and vote, in the Assembly of spokespersons of the guerrillas who decide to accept the government's peace proposal. At the same time, the authorities admitted that there has been an increasing upsurge of violence unleashed by the guerrilla groups.

The members of the Assembly, who began meeting yesterday and will meet until 4 July to modify the country's constitution, said that the guerrillas of the Revolutionary Armed Forces of Colombia (FARC) and the Army of National Liberation (ELN), the most belligerent groups in the country, "can have full representation in this forum if they cease their violence."

The government of Liberal President Cesar Gaviria and the political parties had agreed to give participation in the Assembly to all the rebel movements who lay down their weapons, but only with the right to debate, and not to vote.

On that condition, spokespersons for the Popular Liberation Army (EPL), which will surrender its weapons on 1 March, and the Revolutionary Workers Party (PRT), which is now legal, are taking part in the Constituent Assembly. The EPL representatives will have total rights as soon as they completely demobilize.

After warning that "they will not accept pressures of any kind" and that they will discuss "all of the topics they wish to discuss," the assembly members asked the drug traffickers and guerrillas to cease their terrorist actions.

Since Monday, the FARC and ELN, which belong to the Simon Bolivar Guerrilla Coordinating Board (CNG), have increased attacks against policemen, power lines, buses, trucks, stretches of highways, and communications towers.

The rebel offensive and response by the authorities have left a preliminary toll of 24 soldiers and policemen killed, 12 civilians dead, 22 military wounded, 16 policemen and 1 civilian kidnapped, and the suspension of oil pumping activities and electricity service in vast regions.

According to Defense Ministry reports, no less than 30 rebels have been killed throughout the country. [passage omitted]

Fire Destroys 100,000 Hectares of Mountain Range

PA0702025391 Mexico City NOTIMEX in Spanish 2204 GMT 6 Feb 91

[Text] Bogota, 6 Feb (NOTIMEX)—The Colombian Government today issued a call to the international organizations to help put out a fire that for the past five days has been razing "the southern Macarena mountain range."

Carlos Castano, director of the Institute for Development of Renewable Natural Resources, Inderena, said that fire fighting planes and other special equipment that the United States and the European countries have are needed to put out the fire that is spreading throughout the oldest park in America.

In the past few hours the fire, started by the carelessness of a resident in the area, has destroyed 100,000 hectares of the park located 220 km from Bogota, and is threatening a vast section of the region.

"It is urgent that the fire be brought under control; otherwise, it will destroy the historic 'Tinigua and Picachos' forests," the high-ranking official said.

Castano also said that an unknown number of deer, monkeys, birds, bears, and wild cats have already died. "This is the worst ecological disaster in Colombian history," Castano added.

Ecuador

Quito Power Outage Reportedly Caused by Sabotage

PA0602131991 Madrid EFE in Spanish 0614 GMT 6 Feb 91

[Text] Quito, 5 Feb (EFE)—Wilfrido Carpio, general manager of the Ecuadoran Institute of Electrification

[Inecel], has confirmed that tonight's power outage in Quito was caused by sabotage.

Explosives were detonated at the Santa Rosa power station, approximately 20 km south of the capital. At least one pole supporting high-tension cables was toppled, the source added.

No group has claimed responsibility for the attack, which was perpetrated on the day prior to a general strike called by the leading Ecuadoran union federation to protest the government's economic policy. Army patrols are combing the Santa Rosa area, Carpio said.

According to the Inecel manager, the power outage, which took place at 0830 (0130 GMT), affected one third of Quito, which has 1.5 million inhabitants.

Near Paralyzation by General Workers' Strike

PA0602195191 Madrid EFE in Spanish 1658 GMT 6 Feb 91

[Text] Quito, 6 Feb (EFE)—Ecuador was nearly paralyzed today by both the general strike called by the leading union federation and the government's announcement declaring today a holiday. No violent incidents took place during the early hours, however.

The 24-hour strike, organized by the United Workers Front [FUT] to protest the government's economic policy, started at 0000 (0500 GMT) and was preceded by a lengthy power outage in Quito caused by an attack with explosives against a power station.

The government, which indicated that the strike would cost the country $21 million, declared today a holiday. All services and productive activities, both public and private, with the exception of those considered strategic, were suspended and most streets are deserted.

Public transportation vehicles circulated, however, because their drivers did not join the strike. Army patrols guarded public buildings and some gas stations. The police sealed off access to the presidential palace in the center of Quito, where banks and numerous stores remained closed.

Radio stations have reported that the only incident was of demonstrators setting tires on fire early in the strike to close off streets in industrial areas and the centers of Quito and Guayaquil, the country's major cities. The situation in the cities of the interior is normal, however. Flight operations at the Quito airport are normal, the chief of operations told EFE.

Government sources have reported no confrontations thus far. Union leaders have said that their members have been instructed not to engage in violent actions.

The FUT called for a strike to protest a recent 15 percent raise in fuel prices, a 60-percent raise in public transportation fares, and a six percent devaluation of the sucre. In addition, the union federation demands that a recent municipal tax increase be abolished and that salaries be revised.

The general strike, the fourth against the government of President Rodrigo Borja, is supported by the Confederation of Indian Nationalities [CONAIE] and the associations of professors and students.

On the day prior to the strike, a medium-sized explosive charge left a third of the capital, of 1.5 million inhabitants, without electrical power. No group has claimed responsibility for the attack.

The attack on the Santa Rosa station, 20 km south of Quito, toppled at least one utility pole supporting high-tension cables, Wilfrido Carpio, general manager of the Ecuadoran Institute of Electrification [Inecel], has confirmed.

Strike Ends; Arrests Made

PA0702043691 Paris AFP in Spanish 0233 GMT 7 Feb 90

[Text] Quito, 6 Feb (AFP)—A national "preventive" protest strike called by the United Workers Front (FUT) in Quito ended today with two youths wounded by bullets, several persons arrested, three Molotov cocktail attacks, persons without transportation walking home, labor union threats of new strikes, and an official call to dialogue.

Labor Minister Roberto Gomez considered it a closed chapter and invited labor leaders to engage in "a constructive dialogue" with the worker leaders, the government, and businessmen. Meanwhile, the FUT threatened to stage new protests to press for its demands, including a revocation of the fuel price and transportation fare hikes decreed 13 days ago.

The government and the FUT refused to describe the protest movement, which caused a shutdown of public and private activities, as a failure or a success.

The government reported three Molotov cocktail attacks against public and private organizations, while FUT leader Luis Villacis said that two youths were wounded "by police fire."

Regarding the threat of new labor protests, Minister Gomez said that he did not believe them. "I do not think we have a suicide mentality. That would be madness, and Ecuadorans, at least the majority, are sensible persons," he said, urging the labor unions to engage in a "constructive dialogue" through commissions formed with the government and businessmen.

In a second evaluation of the strike, the labor union leaders said tonight that 125 people had been arrested in Quito and that more than 200 had been arrested in the entire country, but Gomez said only 31 people had been arrested. The minister said that among those arrested

were 12-year-old and 14-year-old children, which he described as a "lack of responsibility" by adults.

He also ruled out that Indian organizations had participated in the strike, even though they publicly supported it without getting involved. He insisted on the need for the labor groups to participate in a dialogue as a way of making their proposals heard.

At the end of the demonstrations, a march in Quito, which was supposed to reach the vicinity of the government palace, was dissolved by the use of police tear gas. Police cordoned off the government palace during the day, which prevented the marchers' access to the area.

The labor organizations said they were pleased with the unity shown in the strike and that this fourth national strike against the social democratic regime of President Rodrigo Borja is the first one to receive the people's support.

Regarding the suspension of activities decreed by the government the day before the strike, Government Minister Cesar Verduga said today that on this day of protests "there is tranquility in the country. The Ecuadoran people heeded the call to suspend activities."

Government, Doctors Sign Agreement on Strike

PA0602133491 Quito Radio Quito in Spanish 2300 GMT 5 Feb 91

[Text] Even though Administration Secretary General Washington Herrera has announced that the doctors' strike ended because a formal agreement was reached between the sides, the strike continues. At this moment, the sides are meeting in the National Congress to review an agreement document, which would grant a 60-percent wage increase. It was reported that on 7 February health workers will meet to work out a final settlement to the problem. Strike Committee member Dr. Alfredo Perez read the terms of agreement document.

[Begin Perez recording] Mr. Deputy Health Minister, on behalf of the Public Health Ministry, and Dr. Alfredo Perez, as the president of the Strike Committee of the professional health employees, I submit the following agreement document:

1. The government, through the Public Health Ministry, [four-second break in reception] starting in February, will agree to pay health sector employees working in public institutions a 60-percent increase over the basic salary that has been in force since January 1991, adjusted according to wage scale and rank as established by the National Personnel Directorate.

2. The Strike Committee pledges to end the strike by health professionals. For that very reason, they will return to their jobs as of today, 5 February, because of the urgent need to protect the lives and health of the people of Ecuador.

3. The National Government will simultaneously agree to suspend the decree on personnel changes to lift the dismissal orders.

In witness thereof, and for the sake of society, we sign: (Jorge Enrique Graniz), etc. [end recording]

Paraguay

Business, Labor React to Lifted GSP Sanctions

PY0602233191

[Editorial Report] Asuncion ABC COLOR in Spanish on 5 February carries on page 5 several reactions by Paraguayan businessmen and labor leaders to the lifting of the GSP sanctions against Paraguay.

In a 400-word article, Arturo Jara Avelli, president of the Paraguayan Industrial Union, states: "Now that the sanctions have been lifted the insurance on U.S. investments in Paraguay will be effective again. When our country was sanctioned this insurance was not valid. The time has come to seek joint investments with U.S. businessmen and to sell our products to the United States and other countries."

Another 400-word article carries the opinion of Alirio Ugarte Diaz, president of the Production, Industry, and Commerce Federation, who says: "The fact that Paraguay has joined the GSP group which will allow our products to enter the enormous U.S. market is very good news."

In another 500-word article Juan Manuel Peralta, secretary general of the National Workers Federation [CNT], says: "We are glad that the CNT negotiated the lifting of the GSP sanctions on Paraguay. Businessmen must assume their serious responsibility because this step was taken in name of the workers."

Alan Flores, vice president of the United Labor Federation, is also quoted on the same article: "The lifting of the GSP sanctions on Paraguay was a decision made by the United States. We reported on the labor situation in our country." He adds: "Not a single labor law has been changed despite the existence of the inadequate Law No. 1172. Workers are still being fired, as happened at the Anahi ice cream company. Policemen continue to supposedly guard strikes, as is currently happening at the Frigobeef meat packaging plant where the workers have been repressed."

Flores said that the lifting of the GSP sanctions "was won more by political pressures than by increased labor freedom."

Government Postpones Negotiations With Paris Club

PY0702002391 Asuncion ABC COLOR in Spanish 2 Feb 91 p 3

[Text] It was reported a few days ago that the U.S. Morgan Guarantee Trust company, which should have

sent its first mission to Paraguay at the end of January to discuss the renegotiation of the Paraguayan foreign debt with the Paris Club, has failed to give the government any reason for not coming. It was reported yesterday that the negotiations with the Paris Club have been postponed.

Although the reasons for this postponement have not been made public, it has been learned that the Economy Ministry has presented "a series of reasons" for the postponement. Among these reasons are international conditions and a lack of agreement over which are debts are considered legitimate and which are illegitimate.

Leaving aside the Persian Gulf war excuse, the economic team (that advises the government) has a clearly different opinion about the legitimacy or illegitimacy of the contracted debt. One group wants the National Cement Industry (INC), the Paraguayan Alcohol Administration (APAL), the Gramont Berres, and the Grand Hospital debts to be excluded from the negotiations while another group believes that all financial obligations approved by law must be included.

According to comments by the knowledgeable sectors, it is clear that the government cannot sit at the negotiation table with the Paris Club without a defined and agreed position on the conditions for the negotiation.

Negotiations with the IMF, to which the government has submitted a "letter of intent," have stopped. In the "letter of intent," the government lists, among other items, the required structural adjustments to be adopted in an attempt to recover economic growth, a relatively stable economy, and controlled inflation.

Finance Minister Enzo Debernardi has said that the Paraguayan Government will ask the Paris Club to grant better refinancing conditions for its debt with the Paris Club countries and banks. The amount to be renegotiated totals $406 million. (At the end of 1990, our total foreign debt totalled $1.690 billion).

Debernardi also explained that the current total of $406,200,000 includes payments that became due on 31 December 1990 that amount to $243,300,000, $131,100,000 that will become due this year, and $31,700,000 that will become due in March 1992.

Regarding the refinancing conditions proposed to the Paris Club, Minister Debernardi said a few days ago that the Paraguayan Government will request that the government to government loans be paid over 20 years with 10 years of grace and the loans granted by private banks, endorsed by foreign governments, be paid over 15 years, with seven years of grace.

Peru

MRTA Terrorists Release Kidnapped Businessman

PY0702000291 Lima EXPRESO in Spanish 30 Jan 91 p 7

[Excerpt] Victor de la Torre Romero, 64, general manager of the Lima Cement Company, Inc., was released a few hours ago [as published] by the Tupac Amaru Revolutionary Movement (MRTA), which kidnapped him in September 1990 from Javier Prado Este Avenue in San Borja District.

Sources close to the Technical Police operations group, which is investigating the case, have confirmed that De la Torre was released last Sunday [27 January] in Bajada Balta, Miraflores District, and that he traveled abroad by airplane 24 hours later.

The sources told EXPRESO that the entrepreneur's family, pressured by the subversives, made an agreement with the subversives and met their economic demands to obtain the release of De la Torre Romero. The entrepreneur is the son of the late painter Macedonio de la Torre.

It was rumored unofficially that about $1 million was paid in four parts, two of which were delivered between 24 December and 6 January. An unspecified amount of foodstuffs was also distributed in suburban shantytowns. [passage omitted]

Cholera Outbreak Reported in Chimbote, Chancay

PY0502183691 Lima Radio Nacional del Peru Pachacutec Network in Spanish 1100 GMT 5 Feb 91

[Text] (Carlos Carrillo Parodi), Health Institute director and acting health vice minister, has confirmed the existence of a cholera outbreak in the ports of Chancay and Chimbote. (Carrillo Parodi) reported that thus far, 18 people have died and 450 people are suffering from the disease; of this number, 100 people are in serious condition and suffering complications.

Health Vice Minister (Victor Cuba Aure) has confirmed that 18 people have died and 450 people have been affected by a strange epidemic that has broken out in Chimbote and Chancay. (Cuba Aure) said it is premature to say that this disease would correspond to a type of cholera as long as the official results of the analysis that is being carried out are still not known.

In this regard, the health vice minister recommended that the population boil water, thoroughly wash foodstuffs and table utensils, and use boiled water to cook.

42 Dead, Hundreds Hospitalized

PY0702143891 Madrid EFE in English 1252 GMT 7 Feb 91

[Text] Lima, Feb 7 (EFE)—An outbreak of cholera, which is sweeping across Peru for the first time, has killed at least 42 people, while hundreds of others have been hospitalized, medical sources and news media said.

Although the Health Ministry has only recognized 18 deaths, hospital officials in northern Peru said Wednesday [6 February] that 38 people had died in the area since the epidemic began. Meanwhile, a spokesman for a hospital in Lima's port city of Callao told reporters that cholera had killed four people there. Radio reports said five people were Wednesday admitted to two of the capital's hospitals with symptoms.

The first cases of the disease, which up until now had not hit this strife-torn Latin American country, were registered in the northern port city of Chimbote, 440 km from the capital. Between 500 and 700 cases of cholera have been reported there, with around 373 people in hospital.

Radio reports said 15 people have been hospitalized in the nearby northern coastal city of Trujillo, one of whom was in a coma. State television reported that eight people had died of the infectious disease in Chancay, 80 km north of the capital. Chamber of Deputies president Victor Paredes said that in the northern city of Piura, 1,000 km north of Lima, 10 people had died of cholera and 87 others were being treated in hospital.

The health ministru Wednesday only confirmed 14 deaths in Chimbote and four in Chancay and said no cases of the bile disease had been discovered anywhere else in the country.

Radios, television stations and newspapers have been giving information on how to prevent catching cholera, while Health Minister Carlos Vidal Layesca has cut short a visit to the United States to head health operations against the disease. But hygiene experts have expressed concern that the epidemic could spread quickly due to the lack of medical facilities and the dire sanitary conditions in which millions of Peruvians live, especially in the numerous shanty towns which ring Lima. An estimated 55 per cent of the 21 million population scrape a living below the poverty line.

Guyana

Custom Chief Outlines Common Tariff Advantages

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[By Urrell Wilkinson]

[Text] Georgetown, Guyana, Feb 6, CANA—Guyana's Customs Comptroller Clarence Chue is confident the Caribbean Community (Caricom) Common External Tariff (CET) will help regional trade and the Guyana manufacturing sector.

"All in all, the tariff should impact positively on intra and extra regional trade and also gives an opportunity for manufacturers to break into their own," Chue told CANA [CARIBBEAN NEWS AGENCY].

Chue said that while providing protection for regional agricultural and industrial production, the CET will also offer benefits such as reduced red tape, a standardised and thus less complicated goods classification system, and a simplified tax structure.

The National Assembly here on Monday passed CET legislation and Chue said he hopes to begin implementation within a week. Technical and other difficulties delayed implementation of the CET by Caricom states beyond the original January 1 deadline. Only Trinidad and Tobago has so far implemented the tariff.

"What we have in the new CET is a standardised commodity description coding system which will aid the analysis and preparation of trade data, hence improving the movement of goods," Chue said.

Previously, a wide range of tariff rates complicated the preparation of documents and analysis of trade data, the customs chief told CANA. "The Common External Tariff will seek to reduce these impediments. It aims to simplify the tax structure." The CET reduces the number of rates to five, ranging from 5 to 45 per cent.

In the past, uncertainties created by the system of goods classification caused slow clearing of goods and some leakage of revenue but the new structure seeks to reduce some of these difficulties, Chue said. A principal aim of the CET is to afford protection to regional agricultural and industrial production, Chue pointed out.

"You cannot expect an industry to grow if you set low, or zero rates to similar items coming from out of the region. If you set high rates, you give these industries some kind of protection and allow them to grow and improve their efficiency."

Chue observed that the CET however also aims to minimise the increased cost effects on socio-economic activities and conditions, by according low rates to items intended for educational use, sports, culture, and health.